

B03 WELLS FARGO INVESTMENTS, LLC  
999 THIRD AVENUE  
SEATTLE WA 98104

Pay Group: BW1-BIWEEKLY PAYROLL Check #: 4968405  
Pay Begin Date: 01/01/2008  
Pay End Date: 01/31/2008 Check Date: 01/09/2008

KENNETH CRAIG SHAFFER 315 GARLEDA DR EL DORADO HILLS CA 95762	Employee ID: 00000716429	TAX DATA: Federal CA State
	AU#CC#: 015223	Marital Status: Married Married
	Location: 0000003557	Allowances: 6 6
	Job Title: WMG FINANCIAL CONSULTANT 2	Addl. Amt.:
	Pay Rate: \$36,053.29 Annual	

HOURS AND EARNINGS						TAXES		
Description	Rate	Current		YTD		Description	Current	YTD
		Hours	Earnings	Hours	Earnings			
Forgivable Promissory Note			111,347.00		111,347.00	Fed Withholding	0.00	210.43
Regular Pay			0.00		1,386.67	Fed MED/EE	0.00	40.68
PCS Sales Incentive Plan			0.00		1,539.07	Fed OASDI/EE	0.00	173.93
						CA Withholding	0.00	55.69
						CA OASDI/EE	0.00	22.44
<b>Total:</b>			111,347.00		114,272.74	<b>Total:</b>	0.00	503.17
<b>BEFORE TAX DEDUCTIONS</b>						<b>AFTER TAX DEDUCTIONS</b>		
Description		Current	YTD	Description		Current	YTD	
Kaiser Northern CA		0.00	94.62	Community Support/United Way		0.00	10.00	
WF Dental Plan - Standard		0.00	17.74	Spouse/Partner GULP		0.00	1.60	
Vision Service Plan		0.00	8.00	GULP Optional Life		0.00	22.49	
Wells Fargo 401K Plan		0.00	87.77	AD/D		0.00	1.93	
				Long-Term Disability		0.00	12.44	
<b>Total:</b>		0.00	208.13	<b>Total:</b>		0.00	48.46	
<b>TOTAL GROSS</b>				<b>TOTAL TAXES</b>				
Current:	111,347.00		0.00		0.00		0.00	111,347.00
YTD:	114,272.74		2,717.61		503.17		256.59	113,512.98
<b>NET PAY DISTRIBUTION</b>								
Check #000000004968405								111,347.00
<b>Total:</b>								111,347.00

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW. DO NOT CASH IF NOT PRESENT.

WELLS FARGO INVESTMENTS, LLC  
999 THIRD AVENUE  
SEATTLE WA 98104

90-0382/0412

WELLS FARGO BANK, N.A.  
115 HOSPITAL DRIVE  
VAN WERT OH 45891

Check No.  
4968405  
VOID AFTER 90 DAYS

Date: 01/09/2008

Pay Amount: \$111,347.00 \*\*\*

Pay \*\*\*\*ONE HUNDRED ELEVEN THOUSAND THREE HUNDRED FORTY-SEVEN AND 00/100 DOLLARS\*\*\*\*

To The  
Order Of

00001 B03 MAC A0780-011  
KENNETH CRAIG SHAFFER  
5315 GARLEDA DR  
EL DORADO HILLS, CA 95762

*Richard L. Loney*

W000317



Private Client Services  
MAC A0112-060  
550 California Street, 6th Floor  
San Francisco, CA 94104

October 16, 2009

Mr. Kenneth C. Shaffer  
5315 Garlenda Drive  
El Dorado Hills, CA 95762

Dear Mr. Shaffer:

Enclosed is a copy of your Form U-5, Uniform Termination Notice for Securities Industry Registration. Pursuant to the Financial Industry Regulatory Authority (FINRA) By-Laws and Rules, we are required to send you a copy of the Form U-5 as we send it to FINRA. Please retain this for your records as you will need to provide this to any future FINRA member employers.

Your registration will remain inactive with FINRA until you reactivate by registering with another firm. If you do not become registered within two years from the termination date listed on the Form U-5, your registration will expire.

During your tenure you signed one or more of the following agreements: the *Trade Secrets Confidential Information and Arbitration Agreement*, the *Bank Confidentiality Statement*, the *Corporate Conduct and Acknowledgment Form* and/or the *Annual Acknowledgment Letter*. In signing any of these agreements, you agreed you would not take or disclose confidential information or call upon or solicit for one year (either directly or indirectly), any client, prospect or referral whose name became known to you during your employment at Wells Fargo. In addition, the *Employee Handbook*, provided to all employees, clearly sets forth Wells Fargo's policies regarding the handling of confidential and proprietary information.

If you have any questions concerning these matters, please call me at (415) 222-5608.

Sincerely,

L.J. D'Iorio  
Compliance Manager

W000120

Enclosure

**Investment and Insurance Products:**

- ▶ Are NOT insured by the FDIC or any other federal government agency
- ▶ Are NOT deposits of or guaranteed by the Bank or any Bank affiliate
- ▶ May Lose Value

Financial consultants are registered representatives of Wells Fargo Investments, LLC (member SIPC), a non-bank affiliate of Wells Fargo & Company.

# FORM U5 UNIFORM TERMINATION NOTICE FOR SECURITIES INDUSTRY REGISTRATION

Reference #: 588086988515558AD

Rev. Form U5 (05/2009)

Individual Name: SHAFFER, KENNETH CRAIG (871643)

Firm Name: WELLS FARGO INVESTMENTS, LLC (10582)

**NOTICE TO THE INDIVIDUAL WHO IS THE SUBJECT OF THIS FILING**

*Even if you are no longer registered you continue to be subject to the jurisdiction of regulators for at least two years after your registration is terminated and may have to provide information about your activities while associated with this firm. Therefore, you must forward any residential address changes for two years following your termination date or last Form U5 amendment to: CRD Address Changes, P.O. Box 9495, Gaithersburg, MD 20898-9495.*

**1. GENERAL INFORMATION**

<b>First Name:</b> KENNETH	<b>Middle Name:</b> CRAIG	<b>Last Name:</b> SHAFFER	<b>Suffix:</b>
<b>Firm CRD #:</b> 10582	<b>Firm Name:</b> WELLS FARGO INVESTMENTS, LLC	<b>Firm NFA #:</b>	
<b>Individual CRD #:</b> 871643	<b>Individual SSN:</b> [REDACTED]	<b>Individual NFA #:</b>	<b>Firm Billing Code:</b> 15223-CN

**Office of Employment Address**

CRD Branch #	NYSE Branch Code #	Firm Billing Code	Address	Private Residence	Type of Office	Start Date	End Date
9237		15223-CN	25015 BLUE RAVINE RD FOLSOM, CA 95630 UNITED STATES	N	Located At	06/15/2006	10/01/2009
132642		15223-CN	9500 MICRON AVE SACRAMENTO, CA 95827 UNITED STATES	N	Located At	05/22/2008	10/01/2009

**2. CURRENT RESIDENTIAL ADDRESS****NOTICE TO THE FIRM**

*This is the last reported residential address. If this is not current, please enter the current residential address.*

From	To	Street	City	State	Country	Postal Code
01/2004	PRESENT	5315 GARLEND DR	EL DORADO HILLS	CA	USA	95762

**3. FULL TERMINATION**

W000121

Is this a **FULL TERMINATION**? ☒ Yes ☐ No

Note: A "Yes" response will terminate ALL registrations with all SROs and all jurisdictions.

Reason for Termination: Discharged

**Termination Explanation:**

If the Reason for Termination entered above is Permitted to Resign, Discharged or Other, provide an explanation below:

VIOLATION OF COMPANY POLICIES: 1) REPRESENTATIVE LACKED JUSTIFICATION FOR CHARGING EQUITY SECURITIES MARKUP THAT EXCEEDED THE FIRM'S FULL SERVICE EQUITY SCHEDULE; AND 2) REPRESENTATIVE RECEIVED A WRITTEN CUSTOMER COMPLAINT AND DID NOT FORWARD TO SUPERVISORY PRINCIPAL.

**4. DATE OF TERMINATION**

**Date Terminated (MM/DD/YYYY):** 10/01/2009

A complete date of termination is required for *full termination*. This date represents the date the *firm* terminated the individual's association with the *firm* in a capacity for which registration is required.

For *partial termination*, the date of termination is only applicable to post-dated termination requests during the renewal period.

Notes: For *full termination*, this date is used by *jurisdictions/SROs* to determine whether an individual is required to requalify by examination or obtain an appropriate waiver upon reassociating with another *firm*.

The *SRO/jurisdiction* determines the effective date of termination of registration.

**6. AFFILIATED FIRM TERMINATION**

No Information Filed

**7. DISCLOSURE QUESTIONS**

THE ANSWER TO ANY OF THE FOLLOWING QUESTIONS IN SECTION 7 IS 'YES', COMPLETE DETAILS OF ALL EVENTS OR PROCEEDINGS ON APPROPRIATE DRP(S). IF THE INFORMATION IN SECTION 7 HAS ALREADY BEEN REPORTED ON FORM U4 OR FORM U5, DO NOT RESUBMIT DRPS FOR THESE ITEMS. REFER TO THE EXPLANATION OF TERMS SECTION OF FORM U5 INSTRUCTIONS FOR EXPLANATION OF ITALICIZED WORDS.

**Disclosure Certification Checkbox (optional):** ☒

By selecting the Disclosure Certification Checkbox, the firm certifies that (1) there is no additional information to be reported at this time; (2) details relating to Questions 7A, 7C, 7D and 7E have been previously reported on behalf of the individual via Form U4 and/or amendments to Form U4 (if applicable); and (3) updated information will be provided, if needed, as it becomes available to the firm. Note: Use of "Disclosure Certification Checkbox" is optional.

**Investigation Disclosure**

**7A.** Currently is, or at termination was, the individual the subject of an *investigation* or *proceeding* by a domestic or foreign governmental body or *self-regulatory organization* with jurisdiction over *investment-related* businesses? (Note: Provide details of an *investigation* on an Investigation Disclosure Reporting Page and details regarding a *proceeding* on a Regulatory Action Disclosure Reporting Page.)

YES NO

C C

**Internal Review Disclosure**

**7B.** Currently is, or at termination was, the individual under internal review for fraud or wrongful taking of property, or violating *investment-related* statutes, regulations, rules or industry standards of conduct?

YES NO

C C

**Criminal Disclosure**

**7C.** While employed by or associated with your *firm*, or in connection with events that occurred while the

YES NO

W000122

individual was employed by or associated with your *firm*, was the individual:

1. convicted of or did the individual plead guilty or nolo contendere ("no contest") in a domestic, foreign or military court to any *felony*? ☐ ☐
2. *charged* with any *felony*? ☐ ☐
3. convicted of or did the individual plead guilty or nolo contendere ("no contest") in a domestic, foreign or military court to a *misdemeanor involving*: investments or an *investment-related* business, or any fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? ☐ ☐
4. *charged* with a *misdemeanor* specified in 7(C)(3)? ☐ ☐

### Regulatory Action Disclosure

- 7D. While employed by or associated with your *firm*, or in connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual *involved* in any *disciplinary action* by a domestic or foreign governmental body or *self-regulatory organization* (other than those designated as a "*minor rule violation*" under a plan approved by the U.S. Securities and Exchange Commission) with jurisdiction over the *investment-related* businesses? ☐ YES ☐ NO

### Customer Complaint/Arbitration/Civil Litigation Disclosure

- 7E. 1. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual named as a respondent/defendant in an *investment-related*, consumer-initiated arbitration or civil litigation which alleged that the individual was *involved* in one or more *sales practice violations* and which: ☐ YES ☐ NO
- (a) is still pending, or; ☐ ☐
  - (b) resulted in an arbitration award or civil judgment against the individual, regardless of amount, or; ☐ ☐
  - (c) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or; ☐ ☐
  - (d) was settled, on or after 05/18/2009, for an amount of \$15,000 or more? ☐ ☐
2. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual the subject of an *investment-related*, consumer-initiated (written or oral) complaint, which alleged that the individual was *involved* in one or more *sales practice violations*, and which: ☐ YES ☐ NO
- (a) was settled, prior to 05/18/2009, for an amount of \$10,000 or more, or; ☐ ☐
  - (b) was settled, on or after 05/18/2009, for an amount of \$15,000 or more? ☐ ☐
3. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual the subject of an *investment-related*, consumer-initiated, written complaint, not otherwise reported under questions 7(E)(2) above, which: ☐ YES ☐ NO
- (a) would be reportable under question 14I(3)(a) on Form U4, if the individual were still employed by your *firm*, but which has not previously been reported on the individual's Form U4 by your *firm*; or ☐ ☐
  - (b) would be reportable under question 14I(3)(b) on Form U4, if the individual were still employed by your *firm*, but which has not previously been reported on the individual's Form U4 by your *firm*. ☐ ☐

Answer questions (4) and (5) below only for arbitration claims or civil litigation filed on or after 05/18/2009

4. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual the subject of an *investment-related*, consumer-initiated, arbitration claim or civil litigation which alleged that the individual was *involved* in one or more *sales practice violations*, and which: ☐ YES ☐ NO
- (a) was settled for an amount of \$15,000 or more, or; ☐ ☐
  - (b) resulted in an arbitration award of civil judgment against any named respondent(s)/defendant ☐ ☐

W000123

- (s), regardless of amount?
5. In connection with events that occurred while the individual was employed by or associated with your *firm*, was the individual the subject of an *investment-related*, consumer-initiated, arbitration claim or civil litigation not otherwise reported under question 7E(4) above, which:
- (a) would be reportable under question 14I(5)(a) on Form U4, if the individual were still employed by your *firm*, but which has not previously been reported on the individual's Form U4 by your *firm*; or
- (b) would be reportable under question 14I(5)(b) on Form U4, if the individual were still employed by your *firm*, but which has not previously been reported on the individual's Form U4 by your *firm*.

**Termination Disclosure**

- |   | YES                   | NO                    |
|---|-----------------------|-----------------------|
| 7F. Did the individual voluntarily <i>resign</i> from your <i>firm</i> , or was the individual discharged or permitted to <i>resign</i> from your <i>firm</i> , after allegations were made that accused the individual of: |                       |                       |
| 1. violating <i>investment-related</i> statutes, regulations, rules or industry standards of conduct?   | <input type="radio"/> | <input type="radio"/> |
| 2. fraud or the wrongful taking of property?  | <input type="radio"/> | <input type="radio"/> |
| 3. failure to supervise in connection with <i>investment-related</i> statutes, regulations, rules or industry standards of conduct?   | <input type="radio"/> | <input type="radio"/> |

**8. SIGNATURE**

Please Read Carefully

All signatures required on this Form U5 filing must be made in this section.

A "Signature" includes a manual signature or an electronically transmitted equivalent. For purposes of an electronic form filing, a signature is effected by typing a name in the designated signature field. By typing a name in this field, the signatory acknowledges and represents that the entry constitutes in every way, use, or aspect, his or her legally binding signature.

**8A. FIRM ACKNOWLEDGMENT**This section must be completed on all U5 form filings submitted by the *firm*.**8B. INDIVIDUAL ACKNOWLEDGMENT AND CONSENT**

This section must be completed on amendment U5 form filings where the individual is submitting changes to Part II of the INTERNAL REVIEW DRP or changes to Section 2 (CURRENT RESIDENTIAL ADDRESS).

**8A. FIRM ACKNOWLEDGMENT**

I VERIFY THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN AND WITH THIS FORM.

**Person to contact for further information**

L.J. D'ORIO

**Telephone # of person to contact**

415-222-5608

**Signature of Appropriate Signatory**

L.J. D'ORIO

**Date (MM/DD/YYYY)**

10/16/2009

Signature **CRIMINAL DRP**

No Information Filed

**CUSTOMER COMPLAINT/ARBITRATION/CIVIL LITIGATION DRP**

No Information Filed

**INTERNAL REVIEW DRP**

No Information Filed

W000124

**INVESTIGATION DRP**

No Information Filed

**REGULATORY ACTION DRP**

No Information Filed

**TERMINATION DRP**

No Information Filed

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W000125



Fax from : 2062923145

10-01-09 11:04

Pg: 1

Page 1 of 4

FROM: kenneth.c.shaffer@wellsfargo.com  
 TO: douglas.a.johnson@comcast.net  
 SUBJECT: RE: New Accounts

BRYAN A → DITH 6.

Configuration at time of  
 processing: ☒ ☒ 11  
 Message Sent: Sep 14 2009  
 11:20:39 AM  
 Processed on: Sep 14 2009  
 11:57:32 AM  
 Expiration: Sep 13 2014  
 11:20:39 AM

Hi Doug- I left a message for you at the contact number I have for you. Your market linked CDs mature on Oct 7<sup>th</sup>, and will return 100% of your principle. You can sell them now if you need the money right away, for approx. 996/1000, the 4 dollar per 1000 is equal to .4% in less than a month, or about 4.8% annualized interest, so it's better to let them mature on Oct 7<sup>th</sup>. I have already made a note to move the proceeds back to your bank account on the 8<sup>th</sup>.

Ken Shaffer  
 Financial Consultant  
 Wells Fargo Investments

M-W-F- 916 984-1179 Customer Service- 866-281-7438  
 T-Th -916 364-3571

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- Are Not deposits of or guaranteed by the Bank or any Bank affiliate
- May Lose Value

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From: Doug Johnson [mailto:douglas.a.johnson@comcast.net]  
 Sent: Friday, September 11, 2009 8:29 PM  
 To: Shaffer, Kenneth C.  
 Subject: Fw: New Accounts  
 Importance: High

Ken, Can you give me a contact to find out how to get my money back into my account since you have not responded. If I don't hear back this time, My attorney will contact you next! I'm pissed you got me into this and don't respond to my emails!!!

----- Original Message -----

From: Doug Johnson  
 To: Kenneth.C.Shaffer@wellsfargo.com  
 Sent: Monday, September 07, 2009 8:41 PM

with complaint

about:blank

10/1/2009

W000050



Fax From : 2862923145

10-01-09 11:04

Pg: 2

Page 2 of 4

Subject: Re: New Accounts

Hi Ken, It has been 18 months and the account produced nothing. When will my money be put back into my account?

Thanks

Doug

----- Original Message -----

From: [Kenneth.C.Shaffer@wellsfargo.com](mailto:Kenneth.C.Shaffer@wellsfargo.com)

To: [douglas.a.johnson@comcast.net](mailto:douglas.a.johnson@comcast.net)

Sent: Tuesday, March 18, 2008 4:54 PM

Subject: RE: New Accounts

Not sure about that, do you have to add it to your Quicken accounts?

*Ken Shaffer*  
Financial Consultant  
Wells Fargo Investments

M-W-F- 016 984-1179

T-Th -916 364-3671

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From: Doug Johnson [<mailto:douglas.a.johnson@comcast.net>]

Sent: Tuesday, March 18, 2008 4:30 PM

To: Shaffer, Kenneth C.

Subject: Re: New Accounts

Hi Ken,

about:blank

W000051

10/1/2009

Fax from : 2062923145

10-01-09 11:04

Pg: 3  
Page 3 of 4

Thanks, I have it setup online at WewllsFargo but can't seem to get it to show in Quicken.  
Any idea's?

Thanks

Doug

----- Original Message -----

From: Kenneth.C.Shaffer@wellsfargo.com

To: douglas.a.johnson@comcast.net

Sent: Tuesday, March 18, 2008 9:50 AM

Subject: RE: New Accounts

Hi Doug- When you sign on, go to the "account services" tab, choose "add accounts"- you should see your new brokerage account listed, select the account and go to the "account summary" screen- call or e-mail with any questions.

*Ken Shaffer*  
Financial Consultant  
Wells Fargo Investments

M-W-F- 916 984-1170

T-Th -916 364-3571

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From: Doug Johnson [mailto:douglas.a.johnson@comcast.net]

Sent: Monday, March 17, 2008 9:48 PM

To: Shaffer, Kenneth C.

Subject: New Accounts

Hi Ken,

about:blank

W000052

10/1/2009

Fax from : 2062923145

10-01-09 11:04 Pg: 4

Page 4 of 4

I met with you and Yuri on Tuesday the 4th and decided to open a couple accounts from money in my savings. Are these accounts going to show up on my monthly statement? I also use Quicken and do see the 8,000.00 transfer out of savings but do not see it anywhere. Is this something I will be able to see in the future?

Thanks

Doug

Doug Johnson

9821 Culp Way

Sacramento Ca 95827

916-402-4392 Cell

916-362-8538 Home

W000053

about:blank

10/1/2009

Krug, Jan M.

---

From: Mortensen, Mary  
 Sent: Tuesday, September 29, 2009 3:58 PM  
 To: Marx, Kelly J.  
 Cc: Mortensen, Mary; Krug, Jan M.; Webster, Mark D. (PCS)  
 Subject: FW: Trade Review - Excess Commissions

Kelly:

I thought I would share this with you. Please note that the region will be dealing with this matter tomorrow, however we did want to bring it to your attention.

For some background, the FC is on written performance warning. The trade was identified on Broker Audit. In reviewing the order via BetaHost, I identified that the FC had manually overwritten the commissions and had charged a flat rate for both trades. In questioning the transaction, below is his response.

**Mary E. Mortensen**  
**Vice President**  
**Branch Administration Manager**  
**Phone: 916-788-4508**  
**Fax: 916-788-4782**

---

From: Shaffer, Kenneth C.  
 Sent: Tuesday, September 29, 2009 3:27 PM  
 To: Mortensen, Mary  
 Subject: RE: Trade Review - Excess Commissions

Was I not supposed to do that? We can change it if you want, these are good clients, recently turned 50%, 72% profit on trades. I estimated the cost @ 1000. I thought padding was part of our business plan. As a compliance officer, you should know that the procedure called "written warning" for FCs, represents a huge conflict of interest, undue pressure on FCs, because of the "month to month" nature of the minimum- it's ludicrous.

**Ken Shaffer**  
 Financial Consultant  
 Wells Fargo Investments

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 T-Th -916 364-3571  
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W000019

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From: Mortensen, Mary  
 Sent: Tuesday, September 29, 2009 3:08 PM  
 To: Shaffer, Kenneth C.  
 Cc: Mortensen, Mary

**Subject:** Trade Review - Excess Commissions**Importance:** High

Ken:

s advise why you entered a flat \$ commission amount, in excess of what normal comp would be??

Firm: Main Firm		Region: California Region																	
Branch: EJ - Roseville		Broker: EJ4D SHAFFER																	
Client:		KENNETH																	
No Discretion																			
Account: [REDACTED]	View Profile	Medium																	
9/29/2009	Commission Excess Equities	9/28/2009 EXG TDEnt: 09/28/2009 14:02:11	EATON VANCE TAX MANAGED GLBL DIVERSIFIED EQUITY INCOME FUND																
<table border="1"> <thead> <tr> <th>Trans Date</th> <th>Type</th> <th>Product Type</th> <th>Quantity</th> <th>Share Price</th> <th>Commission</th> <th>Compared Value</th> <th>Net</th> </tr> </thead> <tbody> <tr> <td>9/28/2009</td> <td>Solicited</td> <td>Purchase</td> <td>Closed End Fund</td> <td>600.00</td> <td>\$12.290</td> <td>\$495.00</td> <td>\$368.69 \$7,873.76</td> </tr> </tbody> </table>				Trans Date	Type	Product Type	Quantity	Share Price	Commission	Compared Value	Net	9/28/2009	Solicited	Purchase	Closed End Fund	600.00	\$12.290	\$495.00	\$368.69 \$7,873.76
Trans Date	Type	Product Type	Quantity	Share Price	Commission	Compared Value	Net												
9/28/2009	Solicited	Purchase	Closed End Fund	600.00	\$12.290	\$495.00	\$368.69 \$7,873.76												

Firm: Main Firm		Region: California Region																	
Branch: EJ - Roseville		Broker: EJ4D SHAFFER																	
Client:		KENNETH																	
No Discretion																			
Account: [REDACTED]	View Profile	Medium																	
9/29/2009	Commission Excess Equities	9/28/2009 JGT TDEnt: 09/28/2009 14:09:17	NUVEEN MULTI-CURRENCY SHORT-TERM GOVERNMENT INCOME FUND																
<table border="1"> <thead> <tr> <th>Trans Date</th> <th>Type</th> <th>Product Type</th> <th>Quantity</th> <th>Share Price</th> <th>Commission</th> <th>Compared Value</th> <th>Net</th> </tr> </thead> <tbody> <tr> <td>9/28/2009</td> <td>Solicited</td> <td>Purchase</td> <td>Closed End Fund</td> <td>400.00</td> <td>\$16.829</td> <td>\$495.00</td> <td>\$336.58 \$7,231.56</td> </tr> </tbody> </table>				Trans Date	Type	Product Type	Quantity	Share Price	Commission	Compared Value	Net	9/28/2009	Solicited	Purchase	Closed End Fund	400.00	\$16.829	\$495.00	\$336.58 \$7,231.56
Trans Date	Type	Product Type	Quantity	Share Price	Commission	Compared Value	Net												
9/28/2009	Solicited	Purchase	Closed End Fund	400.00	\$16.829	\$495.00	\$336.58 \$7,231.56												

Mary E. Mortensen  
Vice President  
Branch Administration Manager  
Wells Fargo Investments

Office: 916-788-4508  
Fax: 916-788-4782

**Investment and Insurance Products:**

- Are Not insured by the FDIC or any other federal government agency
- Are Not deposits of or guaranteed by the Bank or any Bank affiliate
- May Lose Value

W000020

WELLS  
FARGO

## Trade Correction Form

SUB TRM NO.

ACCOUNT NO.

EC NO.

Prior year trade corrections will not automatically generate a corrected 1099. You must contact the Tax Reporting Department to request a corrected 1099.

<b>TRANSACTION INFORMATION</b>			
SUBMITTED BY <i>KEN SHAFER</i>		PHONE <i>(916) 984-1179</i>	
CLIENT NAME <i>WINFELN</i>		DATE	
<b>ERROR / ADJUSTMENT ALLOCATION</b>			
ERROR			
<input type="checkbox"/> Wrong Security <input type="checkbox"/> Wrong Price <input type="checkbox"/> Wrong Quantity <input type="checkbox"/> Dupe Trade <input type="checkbox"/> Wrong Side <input type="checkbox"/> Trade Date			
SECURITY DESCRIPTION <i>NUVEEN Global Bond</i>		QUANTITY <i>400 JGT</i>	
BUY/SELL <i>BUY</i>		TRADE DATE <i>9-28-2009</i>	TICKER SYMBOL/CUSIP <i>JGT</i>
<i>Comm S/B \$ 169.47</i>			
<b>ADJUSTMENT</b>			
<input type="checkbox"/> Write Off <input type="checkbox"/> Fee Reverse <input type="checkbox"/> Commission Adj <input type="checkbox"/> Div Adj <input type="checkbox"/> Customer Complaint <input type="checkbox"/> Account Number <input type="checkbox"/> Account Type <input type="checkbox"/> Other			
<b>FOR ACCOUNT NUMBER CHANGES</b>			
CORRECT ACCOUNT NUMBER		CORRECT CLIENT NAME	
<b>EXPLANATION</b>			
<i>ADJUSTED COMMISSION UP BY 160<sup>00</sup></i>			
<i>DONT KNOW NOT ALLOWED, PERSONAL FRIENDS FOR</i>			
<i>15 YEARS, NOT MUCH TRADING ACTIVITY</i>			
AMOUNT CHARGED TO FC		FC'S AU	FC'S NUMBER
BOM (or designee)		AU/COST CENTER	
BOM SIGNATURE (or designee) <i>[Signature]</i>		DATE <i>20/1/09</i>	ERROR ACCOUNT NUMBER <i>5278</i>
<b>OPERATIONS USE ONLY</b>			
<i>Reduce commissions to a flat <del>\$360</del></i>			
<i>\$169.47</i>			
<i>W000021</i>			
<p>* Prior year trade corrections will not automatically generate a corrected 1099. You must contact the Tax Reporting Department to request a corrected 1099. See BOM procedures regarding Trade Correction. All corrections must include the signature of the BOM or designee and an AU to be responsible for any loss incurred resulting from the correction. See Branch Operations Procedure for processing.</p>			

*BANK note - FC inputted trade in excess of commissions - Firm guidelines*

*\$169.47 FC put \$455. Trade to be*

P. 1.1.2

10:19:16 7884782

SEP-29-2009 14:57 From: WELLS FARGO / MICRON 916 363 9600

*needed. 10-1-09 772*

EXHIBIT N Page 120

FR04213 (200411212) 01/05

Page: 1 Document Name: untitled

OHIS  
 FUNC FRWD  
 D DATE 092809 TO ACCOUNT XXXXXXXXXX ORDER HISTORY DETAIL >> SUB 001  
 ? ORDER NUMBER SECURITY BRANCH SEQNO TERMID  
 84295371 REP EJ4D TTO WINEGER FAMILY LIVIN WINEGER JOHN G EXCHANGE  
 B/S BUY QTY 400 SYM JGT PX MKT DAY/GTC DAY TYPE 1 S/N S  
 SC/OC P/A A EXCH CIT S CM 495.0000 P/C GRS IOE NOP  
 DESC NUVEEN MULTI-CURRENCY \*SHORT-TERM GOVERNMENT LOD N ARB N IC I T  
 MISC STP STPLMT POSSDUPE DSCR OB NH TL WIRE EJ  
 DNR AON CLO WOW ND CASH DCRU REIN N ALRX  
 MSGFLR MSGBACK  
 CFM/NT  
 09/28/09 1409 ORDR#1 37984531 EJ 0023 ORDR#2  
 TERMID #53J

F6=SUMMARY, F7=BACK, F8=FRWD  
 ENTER TO CONTINUE.

W000022

e: 9/29/2009 Time: 3:13:44 PM



9/29/2009 04:41:44 PM

Calculators  
Single Trade

Page: 1

Security: JGT Security Description: NUVEEN SHORT-TERM GOVT  
 Username: Mary Mortensen

## Account Information

Not in File

## Security Information

JGT 67090N-10-9 2909-565  
 NUVEEN MULTI-CURRENCY \*  
 SHORT-TERM GOVERNMENT  
 INCOME FUND

Date	09/29/2009
Schedule	
Min Commission	100
Max Commission	460.00
Quantity	400
Price	x 16.829
Principal	6,731.60
Interest	.00
Commission	169.47
Postage	5.00
SEC Fee	.00
Net Amount	6,906.07

W000023

WELLS  
FARGO

## Trade Correction Form

SUB HWM NO

ACCOUNT NO

FCNO

Prior year trade corrections will not automatically generate a corrected 1099. You must contact the Tax Reporting Department to request a corrected 1099.

<b>TRANSACTION INFORMATION</b>		
SUBMITTED BY <i>KEN SHAFER</i>		PHONE <i>(916) 984-1179</i>
CLIENT NAME <i>WINEBER</i>		DATE <i>9-29-09</i>
<b>ERROR / ADJUSTMENT ALLOCATION</b>		
ERROR <input type="checkbox"/> Wrong Security <input type="checkbox"/> Wrong Price <input type="checkbox"/> Wrong Quantity <input type="checkbox"/> Dupe Trade <input type="checkbox"/> Wrong Side <input type="checkbox"/> Trade Date		
SECURITY DESCRIPTION <i>SPAIN VANCE TAX MGD GLOBAL DIV</i>		QUANTITY <i>600</i>
BUY/SELL <i>BUY</i>		TICKER SYMBOL/CUSIP <i>EXG</i>
TRADE DATE <i>9-28-2009</i>		
ADJUSTED COMMISSION up by <i>130<sup>00</sup></i>		
Comm S/p <i>\$197.74</i>		
<b>ADJUSTMENT</b>		
<input type="checkbox"/> Write Off <input type="checkbox"/> Fee Reverse <input type="checkbox"/> Commission Adj. <input type="checkbox"/> Div Adj. <input type="checkbox"/> Customer Complaint <input type="checkbox"/> Account Number <input type="checkbox"/> Account Type <input type="checkbox"/> Other		
<b>FOR ACCOUNT NUMBER CHANGES</b>		
CORRECT ACCOUNT NUMBER		CORRECT CLIENT NAME
<b>EXPLANATION</b>		
ADJUSTED COMMISSION up by <i>130<sup>00</sup></i> - DIDN'T KNOW IT WAS NOT ALLOWED, PERSONAL FRIENDS for 15 years		
AMOUNT CHARGED TO FC	FC'S AU	FC'S NUMBER
BOM (or designee)		AU/COST CENTER
BOM SIGNATURE (or designee) <i>[Signature]</i>	DATE <i>10/1/09</i>	ERROR ACCOUNT NUMBER <i>5278</i>
<b>OPERATIONS USE ONLY</b>		
Reduce Comm to a flat <i>\$197.74</i>		
W000024		
<small>* Prior year trade corrections will not automatically generate a corrected 1099. You must contact the Tax Reporting Department to request a corrected 1099. See BOM procedures regarding Trade Correction. All corrections must include the signature of the BOM or designee and an AU to be responsible for any loss incurred resulting from the correction. See Branch Operations Procedure for processing.</small>		

BAM note - FC inputted trade in excess of  
commissions Firm guidelines *\$197.74*  
FC Put 8495 - Trade to be reduced. 10-1-09.

P.2-2

To: 9167884782

SEP-29-2009 14:57 From: WELLS FARGO / MICRON 916 363 9600

Page: 1 Document Name: untitled

OHIS  
 FUNC FRWD  
 09/29/09 17:55:16 026/001  
 D DATE 092809 TO ACCOUNT << ORDER HISTORY DETAIL >> SUB 001  
 P ORDER NUMBER SECURITY BRANCH SEQNO TERMID  
 84295371 REP EJ4D TTO WINEGER FAMILY LIVIN WINEGER JOHN G EXCHANGE  
 B/S BUY QTY 600 SYM EXG PX MKT DAY/GTC DAY TYPE 1 S/N S  
 SC/OC P/A A EXCH ATD S CM 495.0000 P/C GRS IOE NOP  
 DESC EATON VANCE TAX \*MANAGED GLBL DIVERSIFIED LOD N ARB N IC I T  
 MISC STP STPLMT POSSDUPE DSCR OB NH TL WIRE EJ  
 DNR AON CLO WOW ND CASH DCRU REIN N ALRX  
 MSGFLR MSGBACK  
 CFM/NT  
 09/28/09 1402 ORDR#1 37984183 EJ 0022 ORDR#2  
 TERMID #53J

F6=SUMMARY, F7=BACK, F8=FRWD  
 ENTER TO CONTINUE.

W000025

te: 9/29/2009 Time: 2:55:29 PM

9/29/2009 04:43:39 PM

Calculators  
Single Trade

Page: 1

Security: EXG Security Description:EV TAX MNG GLBL DVSFD EQ  
Surname: Mary Mortensen

## Account Information

Not in File

## Security Information

EXG 27829F-10-B 1863-825  
EATON VANCE TAX \*  
MANAGED GLBL DIVERSIFIED  
EQUITY INCOME FUND

Date	09/29/2009
Schedule	1
Min Commission	.00
Max Commission	.00
Quantity	690.00
Price	600
Principal	x 12.29
Interest	7,374.00
Commission	.00
Stage	197.74
SEC Fee	+ 5.00
Net Amount	.00
	7,576.74

W0000026

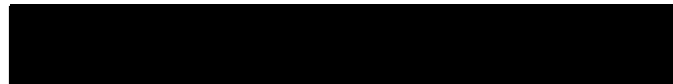
## TRANSMISSION VERIFICATION REPORT

TIME : 10/01/2009 12:26  
 NAME : WELLS FARGO INVESTME  
 FAX : 9167884782  
 TEL :  
 SER. # : BROL5J382464

DATE, TIME  
 FAX NO. /NAME  
 DURATION  
 PAGE(S)  
 RESULT  
 MODE

10/01 12:26  
 SEATTLE TRADE  
 00:00:29  
 02  
 OK  
 STANDARD  
 ECM

## Trade Correction Form



SOLRIN NO.

ACCOUNT NO.

ICM

Prior year trade corrections will not automatically generate a corrected 1099. You must contact the Tax Reporting Department to request a corrected 1099.

<b>TRANSACTION INFORMATION</b>	
SUBMITTED BY <b>KEN SHAFER</b>	PHONE <b>(916) 984-1179</b>
CLIENT NAME <b>WINEBER</b>	DATE <b>9-29-09</b>
<b>ERROR ADJUSTMENT ALLOCATION</b>	
<input type="checkbox"/> Wrong Security <input type="checkbox"/> Wrong Price <input type="checkbox"/> Wrong Quantity <input type="checkbox"/> Dupe Trade <input type="checkbox"/> Wrong Side <input type="checkbox"/> Trade Date	
SECURITY DESCRIPTION <b>WINE VANCE TAX MGD GLOBAL DIV</b>	QUANTITY <b>600</b>
<b>BUY/SELL</b>	TRADE DATE <b>9-28-2009</b>
TICKER SYMBOL/CUSIP <b>EXG</b>	
<b>ADJUSTED COMMISSION up by 130<sup>00</sup></b>	
<b>Comm S/b \$197.74</b>	
<b>W000027</b>	
<b>ADJUSTMENT</b>	
<input type="checkbox"/> Write Off <input type="checkbox"/> Fee Reverse <input type="checkbox"/> Commission Adj. <input type="checkbox"/> Div Adj. <input type="checkbox"/> Customer Complaint <input type="checkbox"/> Account Number <input type="checkbox"/> Account Type <input type="checkbox"/> Other	
<b>FOR ACCOUNT NUMBER CHANGES</b>	
CORRECT ACCOUNT NUMBER	CORRECT CLIENT NAME
<b>EXPLANATION</b>	
<b>ADJUSTED COMMISSION up by 130<sup>00</sup> - DON'T</b>	
<b>KNOW IT WAS NOT ALLOWED, PERSONAL FRIENDS</b>	

**12.1 REGISTERED REPRESENTATIVE RESPONSIBILITIES**

NASD Rule 3110 requires that member firms keep and preserve in each Branch Office either a separate file of all written complaints of customers and action taken by the member, if any, or a separate record of such complaints and a clear reference to the files containing the correspondence connected with such complaint as maintained in such office. The Compliance Department maintains a central file of written complaints, prepares reports and makes filings with FINRA as required by its rules.

**Written and Verbal Complaints**

FINRA defines a complaint as any written statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of those persons under the control of the member in connection with the solicitation or execution of any transaction or the disposition of securities or funds of that customer. As a matter of policy, WFI deems a complaint to include any written or verbal statement from a client (or any person acting on behalf of a client) alleging a grievance involving the activities of WFI, a WFI Registered Representative or employee, or any investment or insurance product made available through WFI.

If a client wishes to submit a written complaint and needs to know where to mail it, instruct the client to mail it to the attention of the Supervisory Principal at the Branch Office address. If a Registered Representative receives a written complaint from a client, it must be forwarded immediately to the Supervisory Principal. Registered Representatives working at Small Office locations must maintain copies of written complaints in their correspondence files. Upon receipt, the Supervisory Principal must forward all written complaints to the Complaint Team in the Compliance Department for resolution.

Registered Representatives must bring all verbal complaints to the immediate attention of the Supervisory Principal, who must record all verbal complaint information on their verbal complaint logs as further described in the Supervisory Manual.

**Claims of Loss Involving an Existing Position**

Any client complaints alleging claims of loss involving market risk may require the liquidation of an existing security position or the establishment of a new position. Registered Representatives must bring any such claim immediately to the attention of the Supervisory Principal and the Compliance Department.

If a dispute arises with a client over an order, Registered Representatives should ask the client for specific instructions to establish the desired investment position and tell the client that the dispute will be reported and every effort will be made to resolve it promptly. If the client refuses to give instruction, the Registered Representative should inform the client that WFI will not assume any responsibility for further losses incurred as a result of the client's failure to issue appropriate correcting instructions. Registered Representatives must report the dispute to the Supervisory Principal immediately.

**Communications Regarding Complaints**

Registered Representatives are prohibited from discussing any aspect of a complaint with a client or the client's representative unless directed to do so by the Compliance Department. Registered Representatives are not to make any commitment to the client and only indicate that the matter is being reviewed and that someone will contact them shortly. All discussions relating to the resolution of the complaint must be handled by the Supervisory Principal in coordination with the Compliance Department.

**12.1 REGISTERED REPRESENTATIVE RESPONSIBILITIES****Policy Reference**

Compliance Manual, Chapter 12 – Complaints; Section 12.1 – registered representative Responsibilities

**Additional Resource**

- WFI Client Complaint Resolution Form

**Supervisory Responsibilities**

SPs are responsible for ensuring that registered representatives comply with WFI policies for reporting of client complaints. The table below describes the processes SPs must follow.

Tasks/Responsibility	Frequency	Delegable
Instruct registered representatives to <i>immediately</i> report all matters involving allegations of theft, misappropriation of funds or securities or any allegation of forgery to the Compliance Department Complaint Team.	Periodically as needed	Yes
Ensure clients are instructed to mail written complaints to RSM/SP attention at the Branch Office address.	Periodically as needed	Yes
Ensure that all complaints are <i>immediately</i> escalated to the SP.	Promptly	Yes
Review all complaints. Promptly forward all written complaints to the Complaint Team. Resolve verbal complaints and escalate to Complaint Team where necessary.	Periodically as needed	Yes
Document all verbal complaints on the designated branch office monthly verbal complaint log.	Periodically as needed	Yes
Ensure all complaints involving existing positions/market risk positions are resolved according to Compliance Manual Procedures and escalated to the Compliance Department.	Periodically as needed	Yes
Ensure registered representatives do not communicate with a client or client representative regarding a complaint unless directed to do so by the SP in coordination with the Compliance Department. To the extent that communications regarding a complaint are authorized, ensure such communications are limited to conveyance of basic information (i.e., that the matter is being reviewed and someone will get back to them shortly).	Periodically as needed	Yes
Ensure Branch Office maintains a separate file of all written customer complaints detailing all communications and resolution or other action taken.	Periodically as needed	Yes
Monitor complaint volume and activity for any trends with	Periodically as	Yes

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W3000030



Wells Fargo Investments, LLC  
Supervisory Manual

Chapter 12 Complaints

Tasks/Responsibility	Frequency	Delegable
respect to allegations, product offerings, persons named in the complaint and office location.	needed	
Ensure registered representatives properly advise clients of their right to file a complaint with the Branch Office.	Periodically as needed	Yes
Ensure that complaint, arbitration, litigation or mediation correspondence is time stamped to reflect the date received by WFI and initialed to reflect principal review.	Periodically as needed	Yes

**General Guidelines****A. Written Complaints**

In order to make sure registered representatives are handling written complaints properly, SPs should, among other things:

- Ensure written complaints are time stamped to reflect the date received by WFI.
- Review each complaint and initial to confirm review.
- Ensure that a copy of the complaint letter is **immediately** forwarded to the Complaint Team. Failure to promptly notify the Complaint Team may result in disciplinary action and financial penalty.
- In instances where it is unclear whether a written communication constitutes a complaint, immediately forward the communication to the Compliance Department Complaint Team. The Complaint Team will review the correspondence to determine if it qualifies as a complaint.
- Coordinate with the Complaint Team to ensure a thorough and timely review of the claim. As part of the investigation, SPs should collect, review and provide all records relevant to the matter to the Complaint Team including but not limited to the brokerage account form, client agreement, margin and option agreements, annuity applications, disclosure forms, correspondence, statements and confirmations.
- Where appropriate, interview employees involved in the alleged activity. Ensure such employees provide an internal written response (typed, signed and dated) to the allegation(s) in the complaint.
- Once the investigation is complete, the SP should prepare and forward recommendation (typed, signed and dated) to the Complaint Team. Recommendations shall clearly outline a proposed resolution and the reasons supporting the recommendation. The Compliance Department may override the recommended resolution (see the WFI Client Complaint Resolution Form located in the brokerage forms gallery).
- Upon completion of the investigation, the Complaint Team will assist the Branch Office with a course of action and issue an appropriate closing letter when necessary.

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W000031

Wells Fargo Investments, LLC  
Supervisory Manual

Chapter 12 Complaints

#### B. Settlement of Written Complaints

SPs must obtain approval from the Complaint Team before communicating with a customer regarding settlement or reimbursement. Where possible, SPs should obtain a signed client release agreement when settling written complaints. Prior to settlement, settlement recommendations must be approved according to the following guidelines:

- \$0.00 - \$10,000 – RSMs
- \$10,000- \$25,000 – RMs
- \$25,000- \$100,000 – RMDs

Upon receipt of a settlement recommendation, the Complaint Team will seek necessary compliance approvals and prepare a release agreement if applicable. When settling a written complaint regarding a trade, the Branch Office must utilize the Trade Errors Corrections (TEC) system.

#### C. Verbal Complaints

In order to ensure registered representatives are handling verbal complaints properly, SPs should, among other things:

- Ensure all verbal complaints are logged on the branch office monthly verbal complaint log.
- Ensure all issues raised in a verbal complaint are addressed and resolved immediately.
- Undertake a thorough investigation and review of all claims. As part of each investigation, SPs should collect, and review all relevant records including but not limited to the brokerage account form, client agreement, margin and option agreements, annuity applications, disclosure forms, correspondence, statements and confirmations.
- Interview all employees involved in the alleged activity.
- Contact the client and inform him or her of the resolution.

If needed, the Complaint Team is available to offer resolution guidance on all verbal complaints.

#### D. Settlement of Verbal Complaints

While SP's have the authority to resolve verbal complaints, they are encouraged to have the client sign a release agreement when settling verbal complaints. **Please note that SP's must contact the Complaint Team prior to settling or offering to settle any verbal complaint for \$10,000 or more.** When settling a verbal complaint, the Branch Office must utilize the Trade Errors Corrections (TEC) system.

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Manual Updated 12/29/08

W000032

Wells Fargo Investments, LLC  
Supervisory Manual

Chapter 12 Complaints

**E. Arbitrations, Litigations and Mediations**

SPs must ensure that a copy of the legal document is **immediately** forwarded to the Complaint Team. Failure to promptly notify the Complaint Team may result in disciplinary action and financial penalty.

While the Complaint Team does not respond to arbitrations, litigation and mediations, there may be regulatory reporting requirements surrounding these matters. All legal matters will be forwarded to the Wells Fargo Legal Department for processing.

**F. Complaint Trends**

In order to assist the Complaint Team in managing present and future risks related to customer complaints, SPs must review and evaluate all complaints (verbal and written) for trends/patterns among allegations, product offerings, persons named in the complaint and office location. SPs are encouraged to document this review and, if trends are detected, SPs are responsible for taking documented action to ensure that proper sales practices and procedures are being employed. If trends become evident, SPs may consult with the Compliance Department for guidance.



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W000003

Hr Name	Employee Id	Certif Year	Hom Pag Agree	Req Pag Agree	Emp Has U4 DscI	Emp Is U4 Subj	Emp Has Addl U4
KENNETH CRAIG SHAFFEF	00000716429	2,005	Y	Y			
KENNETH CRAIG SHAFFEF	00000716429	2,006	Y	Y	N	N	N
KENNETH CRAIG SHAFFEF	00000716429	2,007	Y	Y	N	N	N
KENNETH CRAIG SHAFFEF	00000716429	2,008	Y	Y	N	N	N

W000070

Out Bus Act Ind	Priv Invest Ind	Lgl Fiduc Ind	Emp Wfi Act Ind	Emp Sec Act Ind	Emp Signature	Emp Sig Timstamp	Sup Signature
N	N		Y	Y	Kenneth.C.Shaffer	07/05/06 12:18 PM	john.v.scambray
N	N		Y	Y	Kenneth.C.Shaffer	08/24/06 12:56 PM	john.v.scambray
N	N	N	Y	N	Kenneth.C.Shaffer	09/21/07 02:28 PM	babrand
N	N	N	Y	N	Kenneth.C.Shaffer	12/01/08 06:28 PM	babrand

W0000071

Sup Sig Tmstmp  
07/11/06 06:51 PM  
08/29/06 11:04 AM  
10/19/07 05:23 PM  
12/02/08 10:23 AM

W000072

Kane & Fischer, Ltd.

Attorneys & Counselors  
208 South LaSalle Street  
Suite 1800  
Chicago, IL 60604  
312 422.7200  
Fax: 312 422.7217

Jason R. Lindsay  
312 422.7212  
[jlindsay@kflltd.com](mailto:jlindsay@kflltd.com)

October 20, 2009

**CERTIFIED MAIL/RETURN RECEIPT  
REQUESTED AND REGULAR MAIL**

Kenneth C. Shaffer  
5315 Garlenda Dr  
El Dorado Hills, CA 95762

**Re: Wells Fargo Investments, LLC / Kenneth C. Shaffer**  
**Total Amount Due as of October 20, 2009: \$74,756.84**  
**Our File Number: 5248z008**

Dear Mr. Shaffer:

Wells Fargo Investments, LLC ("Wells Fargo") has referred a collection claim to me relating to a Promissory Note that you entered into with Wells Fargo on or about January 4, 2008 (the "Note"). As of today's date, the total amount that you owe to Wells Fargo under the Note is \$74,756.84.

Pursuant to the terms of the Note, the principal balance due at the time of your termination from Wells Fargo on October 1, 2009 was \$74,617.76. Also, pursuant to the terms of the Note, interest at the rate of 3.58% per annum (\$7.32 per day) has accrued since October 1, 2009, and will continue to accrue until the Note is paid. As of today's date, that additional interest amounts to \$139.08. Accordingly, as of today's date, the balance owed on the Note is \$74,756.84, and interest is accruing at the rate of \$7.32 per day.

If you want to resolve this matter without an arbitration proceeding, you must, within thirty days, either pay the balance owed (by forwarding a check to this office in the amount of \$74,756.84, plus additional accrued interest, made payable to **Wells Fargo Investments, LLC**), or call me at 312/422-7212 to work out acceptable arrangements for payment to be made. If you do neither of these things, or if we are unable to work out acceptable arrangements, I will be entitled to file an arbitration proceeding against you with FINRA Dispute Resolution, Inc. seeking the collection of the full amount of the debt, including accrued and accruing interest, attorneys' fees and costs, pursuant to the terms of the Notes, when the thirty days have expired.

Federal law gives you thirty days after you receive this letter to dispute the validity of the debt or any part of it. If you do not dispute it within that period, I will assume that it is valid. If you do dispute it, by notifying me in writing to that effect, I am required by law to obtain and mail to you proof of the debt. Also according to federal law, if you request proof of the debt or the name and address of the original creditor within the thirty-day period that begins with your receipt of this letter, the law requires me to suspend my efforts (through litigation or otherwise) to collect the debt until I mail the requested information to you.

W000247



Kane & Fischer, Ltd.

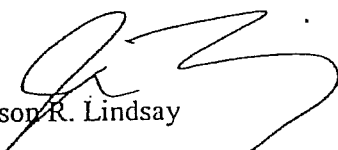
Kenneth C. Shaffer  
October 20, 2009  
Page 2

I am enclosing herewith a copy of the Note, as well as a related Amortization Schedule, as proof of the debt. In addition, please be advised at this time that the original creditor of the debt is Wells Fargo Investments, LLC whose corporate address is 420 Montgomery Street, San Francisco, California 94104. Since I am supplying you now with proof of the debt and the name and address of the original creditor, I will not be required by law to suspend my efforts to collect the debt.

This is an attempt to collect a debt on behalf of Wells Fargo Investments, LLC, and any information obtained will be used for that purpose.

Very truly yours,

KANE & FISCHER, LTD.

  
Jason R. Lindsay

JRL/gmc  
Enclosures

W000248

## PROMISSORY NOTE

In consideration of a loan of one hundred eleven thousand three hundred forty-seven dollars (\$111,347), paid to Kenneth C. Shaffer ("the Undersigned"), the Undersigned promises to pay to the order of Wells Fargo Investments, LLC ("WF") at its offices at 420 Montgomery Street, San Francisco, CA 94104, the sum of one hundred eleven thousand three hundred forty-seven dollars (\$111,347), plus simple interest at a rate of 3.58% per annum on the unpaid balance.

This Note arises from and reflects a debt justly due to WF, which debt is agreed by the Undersigned to be due and payable on demand. The Undersigned may prepay the full amount due at any time without penalty. WF in its sole discretion may demand payment at any time.

The outstanding balance due under this Note shall, immediately become due and payable without notice, protest, presentment, or demand upon the happening of any of the following specified events of default:

1. The termination of the Undersigned's employment with WF (or one of its subsidiaries) for any reason whatsoever, including, but not limited to involuntary termination of the Undersigned;
2. The entry of an order for relief in a bankruptcy case in which the Undersigned is the debtor, or the making of an assignment for the benefit of creditors by the Undersigned, or the inability of the Undersigned to pay the Undersigned's debts generally as they become due, or the liabilities of the Undersigned exceeding the Undersigned's assets, or the appointment of a custodian or receiver for substantially all of the undersigned's property; or
3. The entry of an order against the Undersigned by a court or regulatory agency barring or suspending the Undersigned from the conduct of his/her employment at WF.

The Undersigned promises to advise WF in writing as soon as reasonably possible should any of the above events of default occur.

Except as otherwise set forth above, the principal and interest due under this Note shall be forgiven and taxed in sixty (60) equal monthly increments commencing on the first day of the month following the disbursement of the proceeds of the Note and continuing each month thereafter. Each increment that is forgiven shall include both principal and interest. The compensation and withholding will be reported in the appropriate pay period for each monthly forgiveness. If your earnings for the month are not sufficient to cover the withholding, you may not receive a paycheck until the entire amount of withholding is paid. If any events of default as described above occur, the unpaid and unforgiven portion of the principal amount shall become immediately due and payable to WF, and interest shall continue to accrue on the unpaid balance until the same is fully paid.

W000250

Furthermore, to the extent permissible under California law, the Undersigned agrees that any unpaid amounts due under this Note shall constitute a lien immediately reducible to cash on (1) the Undersigned's final or regular pay and (2) any brokerage accounts held in the name of the Undersigned or on which the Undersigned appears with WF (whether or not such accounts are held as joint account with another or others), until the amount of the lien has been satisfied.

Any controversy regarding the validity, enforcement or construction of this Note or any dispute concerning the Undersigned's employment or termination of employment with WF shall be resolved by arbitration under the then-prevailing Rules of the National Association of Securities Dealers ("NASD"). Any state or federal court having jurisdiction to enter such an award may enter judgment upon any award rendered by the arbitrator(s), and the Undersigned hereby waives personal service of any petitions to confirm such awards, including any papers supporting those petitions, and agree to accept service by regular mail. In the event the NASD for any reason declines to accept jurisdiction of such controversy, it shall then be resolved by a court of competent jurisdiction.

In the event any action or lawsuit is required to be brought for collection of any amount under this Note, the Undersigned promises to pay reasonable attorney's fees and costs, including all fees and costs involved in collection.

This Note shall be interpreted, enforced, and governed by the laws of the State of California. The Undersigned has reviewed the terms of this Note and has participated in its drafting, and agrees that the rule of construction by which ambiguities are resolved against the drafting party shall not apply in any interpretation of it. If any provision or any part of any provision of this Note is for any reason held to be invalid, unenforceable or contrary to public policy, law statute or ordinance, then the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.

The Undersigned executes this Note without reliance on any oral representations. This Note contains the entire agreement between the Undersigned and WF with respect to the matters addressed in it, and supersedes all prior agreements, written or oral, between the Undersigned and WF on such matters. No other agreement, statement of promise made by any party with respect to any of the matters addressed in this Note will be binding or valid.

The Undersigned understands that the Undersigned is employed on an at-will basis. This Note does not constitute an agreement by WF to employ the Undersigned for a specified period of time, and the Undersigned's employment may be terminated at any time, with or without notice or cause.

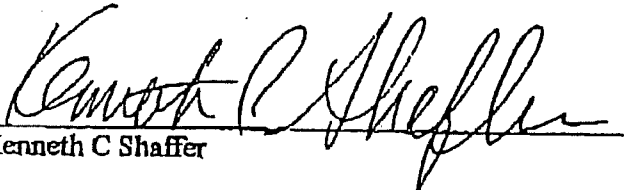
The Undersigned agrees that any amounts due under this Note are not consumer debt, and that any debt incurred hereunder is not primarily for personal, family or household purposes, but for business and commercial purposes only.

W000251

This Note may be modified or amended only if the modification or amendment is made in writing, refers specifically to this Note, and is signed by the Undersigned and an Executive Vice President of WF. Extensions or renewals of the Undersigned's right or liabilities under this Note from time to time, with or without notice, shall not release the Undersigned from liability.

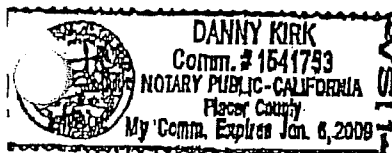
The terms of this Note shall apply to, bind, and inure to the benefit of WF and the Undersigned, and their respective heirs, successors, assigns and legal representatives.

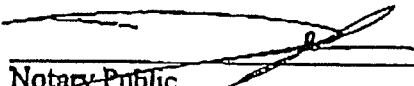
The Undersigned agrees to treat the facts and terms of this Promissory Note as confidential and, as such, will not discuss the Promissory Note with any person except for those individuals who have a legitimate need to know including family members (if applicable), managers and human resources representatives.

  
Kenneth C Shaffer

Sworn to before me this 4<sup>th</sup> day of January, 2008

State of California,  
County of Sacramento



  
Notary Public

W000252



## Promissory Note Amortization Schedule

Prepared for : KENNETH C SHAFFER

5315 GARIENDA DRIVE,  
EL DORADO HILLS, CA, 95762

Original Balance: \$111,347.00

Interest Rate: 3.58%

Total Number of Payments: 60

Start Date: Friday, February 01, 2008

Payment #	Payment Date	Rate	P & I Payment	Principal	Interest	New Balance	Cumulative Interest	Yearly Total Interest
1	2/1/2008	3.58%	\$2,029.59	\$1,697.40	\$332.19	\$109,649.60	\$332.19	\$332.19
2	3/1/2008	3.58%	\$2,029.59	\$1,702.47	\$327.12	\$107,947.13	\$659.31	\$659.31
3	4/1/2008	3.58%	\$2,029.59	\$1,707.55	\$322.04	\$106,239.59	\$981.36	\$981.36
4	5/1/2008	3.58%	\$2,029.59	\$1,712.64	\$316.95	\$104,526.95	\$1,298.31	\$1,298.31
5	6/1/2008	3.58%	\$2,029.59	\$1,717.75	\$311.84	\$102,809.20	\$1,610.15	\$1,610.15
6	7/1/2008	3.58%	\$2,029.59	\$1,722.87	\$306.72	\$101,086.32	\$1,916.86	\$1,916.86
7	8/1/2008	3.58%	\$2,029.59	\$1,728.01	\$301.58	\$99,358.31	\$2,218.44	\$2,218.44
8	9/1/2008	3.58%	\$2,029.59	\$1,733.17	\$296.42	\$97,625.14	\$2,514.86	\$2,514.86
9	10/1/2008	3.58%	\$2,029.59	\$1,738.34	\$291.25	\$95,886.80	\$2,806.11	\$2,806.11
10	11/1/2008	3.58%	\$2,029.59	\$1,743.53	\$286.06	\$94,143.27	\$3,092.17	\$3,092.17
11	12/1/2008	3.58%	\$2,029.59	\$1,748.73	\$280.86	\$92,394.55	\$3,373.04	\$3,373.04
12	1/1/2009	3.58%	\$2,029.59	\$1,753.94	\$275.65	\$90,640.60	\$3,648.68	\$275.65
13	2/1/2009	3.58%	\$2,029.59	\$1,759.18	\$270.41	\$88,881.43	\$3,919.10	\$546.06
14	3/1/2009	3.58%	\$2,029.59	\$1,764.42	\$265.17	\$87,117.00	\$4,184.26	\$811.22
15	4/1/2009	3.58%	\$2,029.59	\$1,769.69	\$259.90	\$85,347.31	\$4,444.16	\$1,071.13
16	5/1/2009	3.58%	\$2,029.59	\$1,774.97	\$254.62	\$83,572.34	\$4,698.78	\$1,325.75
17	6/1/2009	3.58%	\$2,029.59	\$1,780.26	\$249.33	\$81,792.08	\$4,948.11	\$1,575.07
18	7/1/2009	3.58%	\$2,029.59	\$1,785.57	\$244.02	\$80,006.51	\$5,192.13	\$1,819.09
19	8/1/2009	3.58%	\$2,029.59	\$1,790.90	\$238.69	\$78,215.60	\$5,430.81	\$2,057.78
20	9/1/2009	3.58%	\$2,029.59	\$1,796.24	\$233.35	\$76,419.36	\$5,664.16	\$2,291.12
21	10/1/2009	3.58%	\$2,029.59	\$1,801.60	\$227.99	\$74,617.76	\$5,892.15	\$2,519.11
22	11/1/2009	3.58%	\$2,029.59	\$1,806.98	\$222.61	\$72,810.78	\$6,114.76	\$2,741.72
23	12/1/2009	3.58%	\$2,029.59	\$1,812.37	\$217.22	\$70,998.41	\$6,331.98	\$2,958.94
24	1/1/2010	3.58%	\$2,029.59	\$1,817.78	\$211.81	\$69,180.63	\$6,543.79	\$211.81
25	2/1/2010	3.58%	\$2,029.59	\$1,823.20	\$206.39	\$67,357.43	\$6,750.18	\$418.21
26	3/1/2010	3.58%	\$2,029.59	\$1,828.64	\$200.95	\$65,528.80	\$6,951.14	\$619.16
27	4/1/2010	3.58%	\$2,029.59	\$1,834.09	\$195.50	\$63,694.70	\$7,146.63	\$814.65

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Payment #	Payment Date	Rate	Payment	Principal	Interest	New Balance	Cumulative Interest	Yearly Total Interest
28	5/1/2010	3.58%	\$2,029.59	\$1,839.57	\$190.02	\$61,855.14	\$7,336.66	\$1,004.68
29	6/1/2010	3.58%	\$2,029.59	\$1,845.05	\$184.54	\$60,010.08	\$7,521.19	\$1,189.21
30	7/1/2010	3.58%	\$2,029.59	\$1,850.56	\$179.03	\$58,159.53	\$7,700.23	\$1,368.25
31	8/1/2010	3.58%	\$2,029.59	\$1,856.08	\$173.51	\$56,303.45	\$7,873.74	\$1,541.76
32	9/1/2010	3.58%	\$2,029.59	\$1,861.62	\$167.97	\$54,441.83	\$8,041.71	\$1,709.73
33	10/1/2010	3.58%	\$2,029.59	\$1,867.17	\$162.42	\$52,574.66	\$8,204.13	\$1,872.15
34	11/1/2010	3.58%	\$2,029.59	\$1,872.74	\$156.85	\$50,701.92	\$8,360.98	\$2,029.00
35	12/1/2010	3.58%	\$2,029.59	\$1,878.33	\$151.26	\$48,823.59	\$8,512.24	\$2,180.27
36	1/1/2011	3.58%	\$2,029.59	\$1,883.93	\$145.66	\$46,939.66	\$8,657.90	\$145.66
37	2/1/2011	3.58%	\$2,029.59	\$1,889.55	\$140.04	\$45,050.11	\$8,797.94	\$285.70
38	3/1/2011	3.58%	\$2,029.59	\$1,895.19	\$134.40	\$43,154.92	\$8,932.34	\$420.10
39	4/1/2011	3.58%	\$2,029.59	\$1,900.84	\$128.75	\$41,254.08	\$9,061.09	\$548.85
40	5/1/2011	3.58%	\$2,029.59	\$1,906.51	\$123.08	\$39,347.57	\$9,184.17	\$671.92
41	6/1/2011	3.58%	\$2,029.59	\$1,912.20	\$117.39	\$37,435.37	\$9,301.56	\$789.31
42	7/1/2011	3.58%	\$2,029.59	\$1,917.91	\$111.68	\$35,517.46	\$9,413.24	\$901.00
43	8/1/2011	3.58%	\$2,029.59	\$1,923.63	\$105.96	\$33,593.83	\$9,519.20	\$1,006.96
44	9/1/2011	3.58%	\$2,029.59	\$1,929.37	\$100.22	\$31,664.47	\$9,619.43	\$1,107.18
45	10/1/2011	3.58%	\$2,029.59	\$1,935.12	\$94.47	\$29,729.35	\$9,713.90	\$1,201.65
46	11/1/2011	3.58%	\$2,029.59	\$1,940.90	\$88.69	\$27,788.45	\$9,802.59	\$1,290.35
47	12/1/2011	3.58%	\$2,029.59	\$1,946.69	\$82.90	\$25,841.77	\$9,885.50	\$1,373.25
48	1/1/2012	3.58%	\$2,029.59	\$1,952.49	\$77.10	\$23,889.27	\$9,962.59	\$77.10
49	2/1/2012	3.58%	\$2,029.59	\$1,958.32	\$71.27	\$21,930.95	\$10,033.86	\$148.37
50	3/1/2012	3.58%	\$2,029.59	\$1,964.16	\$65.43	\$19,966.79	\$10,099.29	\$213.80
51	4/1/2012	3.58%	\$2,029.59	\$1,970.02	\$59.57	\$17,996.77	\$10,158.86	\$273.37
52	5/1/2012	3.58%	\$2,029.59	\$1,975.90	\$53.69	\$16,020.88	\$10,212.56	\$327.06
53	6/1/2012	3.58%	\$2,029.59	\$1,981.79	\$47.80	\$14,039.08	\$10,260.35	\$374.86
54	7/1/2012	3.58%	\$2,029.59	\$1,987.70	\$41.89	\$12,051.38	\$10,302.24	\$416.74
55	8/1/2012	3.58%	\$2,029.59	\$1,993.63	\$35.96	\$10,057.74	\$10,338.19	\$452.70
56	9/1/2012	3.58%	\$2,029.59	\$1,999.58	\$30.01	\$8,058.16	\$10,368.20	\$482.71
57	10/1/2012	3.58%	\$2,029.59	\$2,005.55	\$24.04	\$6,052.61	\$10,392.24	\$506.75
58	11/1/2012	3.58%	\$2,029.59	\$2,011.53	\$18.06	\$4,041.08	\$10,410.30	\$524.81
59	12/1/2012	3.58%	\$2,029.59	\$2,017.53	\$12.06	\$2,023.55	\$10,422.36	\$536.87
60	1/1/2013	3.58%	\$2,029.46	\$2,023.55	\$6.04	\$0.00	\$10,428.40	\$6.04
			\$121,775.27	\$111,347.00	\$10,428.40			

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FINRA DISPUTE RESOLUTION

IN THE MATTER OF THE ARBITRATION BETWEEN

WELLS FARGO INVESTMENTS, LLC,

Claimant,

and-

KENNETH C. SHAFFER,

Respondent.

No. 10-00773

AFFIDAVIT OF RONALD P. KANE

I, Ronald P. Kane, being duly sworn, on oath, hereby state:

1. I am a principal and an attorney with the firm of Kane & Fischer, Ltd., licensed to practice in the State of Illinois and other courts. In my capacity as attorney for Wells Fargo Investments, LLC ("Wells Fargo"), I submit this affidavit in support of Wells Fargo's request for costs and attorneys fees in this matter.

2. It is the practice of Kane & Fischer, Ltd. that time is notated on time sheets by all personnel on a daily basis reflecting the services performed and the amount of time spent on the matter.

3. The billing rate for Ronald P. Kane is \$225.00. The billing rate for Diane C. Fischer is \$210.00. The billing rate for Jin-Ho Chung and Paul T. Cahill is \$185.00. The billing rate for Stephany D. McLaughlin is \$165.00. The billing rate for Jason R. Lindsay and Thomas A. Volz was \$185.00. The billing rate for paralegals Geri L. Pinarski, Christina M. Manuele and Gina M. Chereck is \$75.00. The figures set forth on the annexed schedule were obtained from the time sheets submitted by Kane & Fischer personnel and are true and correct.

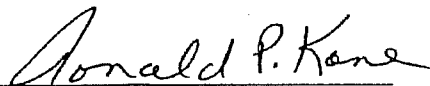


4. The attorney fees associated with work done by the attorneys and paralegals mentioned above were billed at the customary rates. These rates are reasonable in light of the experience of the individuals involved and the average attorney and paralegal billing rates generally prevailing in Chicago, Illinois. The attorney and paralegal fees for this action total \$29,814.00.

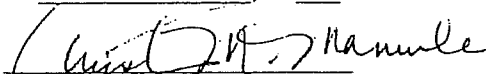
5. The costs incurred for this action total \$8,862.06 and include FINRA filing fees of \$7,600.00, copying charges, facsimile charges, Federal Express delivery charges, long distance carrier charges, Securities Arbitration Commentator ("SAC") research charges, State Bar of California filing fees and Westlaw charges.

6. The attorney fees and costs incurred by Wells Fargo are reasonable and necessary to a full and proper presentation.

FURTHER AFFIANT SAYETH NAUGHT.

  
Ronald P. Kane

SUBSCRIBED and SWORN to  
before me this 21<sup>st</sup> day  
of December, 2010

  
NOTARY PUBLIC



WELLS FARGO INVESTMENTS, LLC V. KENNETH C. SHAFFER  
ATTORNEYS FEES AND COSTS

**FEES:**

1.	Attorney Time	\$27,864.00
	Ronald P. Kane (\$225) hrs = 37.1	
	Diane C. Fischer (\$210) hrs = 16.3	
	Jason R. Lindsay (\$185) hrs = 2.2	
	Jin-Ho Chung (\$185) hrs = 80.3	
	Paul T. Cahill (\$185) hrs = 0.6	
	Thomas A. Volz (\$185) hrs = 3.0	
	Stephany D. McLaughlin (\$165) hrs = 1.0	
2.	Paralegal Time	\$1,950.00
	Geri L. Pinarski (\$75) hrs = 2.1	
	Christina M. Manuele (\$75) hrs = 11.4	
	Gina M. Chereck (\$75) hrs = 12.5	

**Total Fees:** \$29,814.00

**COSTS:**

1.	Copying charges	\$193.65
2.	Facsimile charges	\$1.00
3.	Federal Express delivery charges	\$184.47
4.	FINRA filing fees	\$7,600.00
5.	Long distance carrier charges	\$3.69
6.	SAC – Arbitrator Decisions	\$510.00
7.	State Bar of California fees	\$50.00
8.	Westlaw charges	\$319.25
<b>Total Costs:</b>		<b>\$8,862.06</b>

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BILL HISTORY

Date	Staff ID	Work Description	Hours	Rate	Amount
10/13/2009	DCF	Review correspondence from client regarding new matter.	0.10	\$210.00	\$21.00
10/14/2009	GLP	Review documents received from client regarding new matter against Kenneth Craig Shaffer; Conference with Gina Chereck regarding additional information needed from client for pursuing collection of amounts owed by Shaffer.	0.40	\$75.00	\$30.00
10/16/2009	JRL	Receive and review documents for Shaffer; Conference with Gina Chereck regarding demand letter for Shaffer; Left message with client regarding same.	0.40	\$185.00	\$74.00
10/16/2009	GMC	Review case documents; Research regarding Shaffer's registration; Calculate amounts owed by Shaffer; Prepare memo to Jason Lindsay regarding facts and how to proceed.	1.50	\$75.00	\$112.50
10/20/2009	JRL	Telephone call from client regarding case facts; Review and revise initial demand letter to Shaffer.	1.20	\$185.00	\$222.00
10/20/2009	GMC	Prepare draft demand letter to Shaffer.	0.60	\$75.00	\$45.00
10/20/2009	GLP	Review demand letter to Shaffer.	0.20	\$75.00	\$15.00
10/21/2009	JRL	Receive and review documents from the client.	0.40	\$185.00	\$74.00
10/22/2009	GMC	E-mails to and from Jason Lindsay regarding demand letter to Shaffer.	0.20	\$75.00	\$15.00
11/17/2009	JRL	Receive and review letter from Shaffer responding to demand letter.	0.20	\$185.00	\$37.00
11/19/2009	GMC	E-mails to and from Jason Lindsay regarding response to demand letter.	0.20	\$75.00	\$15.00
12/8/2009	TAV	Review documents obtained from client; Review letter from Shaffer disputing debt; Telephone conversation with client regarding case; E-mail to client regarding same; Draft, review and revise e-mail to client regarding proceeding with Statement of Claim.	2.10	\$185.00	\$388.50
12/9/2009	TAV	Revise draft e-mail to client regarding proceeding with Statement of Claim.	0.50	\$185.00	\$92.50
12/17/2009	GMC	Prepare Statement of Claim; Finalize memo to client regarding facts and how to proceed.	1.30	\$75.00	\$97.50
12/17/2009	GLP	Review and revise Statement of Claim against Shaffer.	0.30	\$75.00	\$22.50
12/17/2009	DCF	E-mails from and to Gina Chereck regarding memo to client regarding proceeding with Statement of Claim.	0.20	\$210.00	\$42.00
12/30/2009	DCF	E-mails from and to Gina Chereck regarding authority to proceed with Statement of Claim.	0.20	\$210.00	\$42.00
1/6/2010	GMC	Follow up with client regarding how to proceed.	0.10	\$75.00	\$7.50

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BILL HISTORY

1/6/2010	TAV	E-mails from and to Gina Chereck regarding filing of Statement of Claim.	0.10	\$185.00	\$18.50
1/14/2010	DCF	E-mails from and to Gina Chereck regarding request for authority to proceed with Statement of Claim against Shaffer.	0.20	\$210.00	\$42.00
1/14/2010	GMC	Follow up with client regarding proceeding with Statement of Claim.	0.10	\$75.00	\$7.50
1/22/2010	DCF	E-mail to Gina Chereck regarding authority to proceed from client against Shaffer.	0.10	\$210.00	\$21.00
1/28/2010	GMC	Prepare FINRA Submission Agreement and e-mail to client regarding same.	0.20	\$75.00	\$15.00
2/17/2010	GMC	Finalize Statement of Claim and exhibits for same; Prepare letter to FINRA regarding Statement of Claim; Prepare Tom Volz' California Certificate for Out-of-State Arbitration Counsel; Prepare letter to California State Bar regarding same.	1.50	\$75.00	\$112.50
2/17/2010	TAV	Finalize Statement of Claim and letters to FINRA and California State Bar Association regarding filing of same.	0.30	\$185.00	\$55.50
2/25/2010	GMC	E-mails to and from Tom Volz regarding Statement of Claim filed against Shaffer.	0.20	\$75.00	\$15.00
3/1/2010	DCF	Review correspondence to Shaffer from FINRA regarding his answer to Statement of Claim.	0.10	\$210.00	\$21.00
3/25/2010	GMC	E-mails to and from Jin-Ho regarding status of case.	0.20	\$75.00	\$15.00
4/16/2010	JHC	Review and analyze Shaffer's Answer to Statement of Claim.	0.50	\$185.00	\$92.50
4/23/2010	GMC	E-mails to and from Jin-Ho Chung regarding Shaffer's Answer to Statement of Claim.	0.20	\$75.00	\$15.00
4/28/2010	JHC	Draft letter to FINRA regarding Shaffer's Answer; Telephone conference with FINRA regarding same.	1.00	\$185.00	\$185.00
5/3/2010	DCF	Review correspondence from FINRA regarding arbitrator rankings.	0.10	\$210.00	\$21.00
5/3/2010	CMM	Review arbitrator profiles; Prepare summary of possible arbitrators; Prepare draft letter to client regarding arbitrator profiles.	1.30	\$75.00	\$97.50
5/5/2010	JHC	Review/analyze documents produced by Shaffer in support of his Counterclaim; Begin drafting Response to Shaffer's Counterclaim.	1.60	\$185.00	\$296.00
5/6/2010	JHC	Continue to draft Response to Shaffer's Counterclaim.	1.50	\$185.00	\$277.50
5/7/2010	GMC	E-mails to and from Jin-Ho Chung regarding status of case and Answer to Counterclaim due date.	0.20	\$75.00	\$15.00
5/10/2010	GLP	Review invoice received from FINRA for accuracy.	0.10	\$75.00	\$7.50

WELLS FARGO INVESTMENTS, LLC  
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BILL HISTORY

5/10/2010	SDM	Perform legal research and prepare memo regarding same.	1.00	\$165.00	\$165.00
5/12/2010	JHC	Telephone conference with Shaffer regarding his Counterclaim; Continue to draft Response to Shaffer's Counterclaim.	0.70	\$185.00	\$129.50
5/13/2010	JHC	Legal research in support of Response to Shaffer's Counterclaim.	0.50	\$185.00	\$92.50
5/14/2010	CMM	E-mail to and e-mail from Diane Fischer regarding request for new list of possible arbitrators.	0.10	\$75.00	\$7.50
5/14/2010	DCF	E-mails from and to Christina Manuele and Jin-Ho Chung regarding Shaffer's Counterclaim for damages, notice to FINRA regarding same and how to proceed.	0.40	\$210.00	\$84.00
5/17/2010	CMM	Prepare letter to FINRA requesting list of 24 possible arbitrators.	0.40	\$75.00	\$30.00
5/17/2010	DCF	Review and revise letter to FINRA regarding number of arbitrators and ranking.	0.20	\$210.00	\$42.00
5/17/2010	JHC	Complete draft of Response to Shaffer's Counterclaim; Telephone conference with client regarding facts; Review documents received from client.	5.50	\$185.00	\$1,017.50
5/18/2010	JHC	Revise Response to Shaffer's Counterclaim; Telephone conference with client regarding facts.	1.50	\$185.00	\$277.50
5/18/2010	CMM	Telephone call to FINRA regarding whether new list of arbitrators will be sent and whether request to extend deadline of current list has been granted; E-mail from and e-mail to Diane Fischer regarding ranking deadline and request for new list of 24 possible arbitrators.	0.20	\$75.00	\$15.00
5/18/2010	DCF	E-mail to Christina Manuele regarding confirmation of extension of deadline to submit arbitrator rankings.	0.10	\$210.00	\$21.00
5/19/2010	JHC	Review and analyze documents sent by client; Telephone conference with client facts; Revise Answer to Shaffer's Counterclaim.	1.20	\$185.00	\$222.00
5/19/2010	CMM	Prepare letter to FINRA confirming that we will receive new list of proposed arbitrators; Telephone call to FINRA regarding request for new list of 24 proposed arbitrators.	0.40	\$75.00	\$30.00
5/19/2010	DCF	E-mails from and to Christina Manuele regarding revised arbitrator lists and extension of deadline to submit same; E-mails from and to Jin-Ho Chung regarding response to Shaffer's counterclaim and confirmation of Shaffer's payment of fees.	0.40	\$210.00	\$84.00

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BILL HISTORY

5/20/2010	JHC	Review additional documents received from client.	0.60	\$185.00	\$111.00
5/21/2010	JHC	Review additional documents sent by client; Telephone conference with client regarding facts; Telephone conference with FINRA regarding Shaffer's Counterclaim; Conferences with Diane Fischer regarding how to proceed; Review file; Draft e-mail to client regarding facts and how to proceed.	1.80	\$185.00	\$333.00
5/21/2010	DCF	E-mails from and to Jin-Ho Chung regarding Response to Counterclaim, agreement to arbitrate discrimination claims and how to proceed.	1.00	\$210.00	\$210.00
5/24/2010	DCF	Review and revise Answer to Counterclaim; Review correspondence from FINRA regarding arbitrator rankings.	2.60	\$210.00	\$546.00
5/24/2010	JHC	Revise Response to Shaffer's Counterclaim; Supplemental legal research; Conferences with Diane Fischer regarding same.	1.20	\$185.00	\$222.00
5/26/2010	CMM	Review arbitrator profiles; Prepare summary of possible arbitrators; Prepare draft letter to client regarding new arbitrator profiles.	0.50	\$75.00	\$37.50
6/1/2010	CMM	Work on summary of possible arbitrators; Research on SCAN PLUS regarding SAC award reports.	2.50	\$75.00	\$187.50
6/2/2010	CMM	Revise letter to client regarding new arbitrator profiles.	0.20	\$75.00	\$15.00
6/4/2010	GMC	Conference with Jin-Ho Chung regarding arbitrator rankings.	0.20	\$75.00	\$15.00
6/7/2010	CMM	Work on summary of possible arbitrators.	1.60	\$75.00	\$120.00
6/9/2010	CMM	Work on summary of possible arbitrators; Prepare letter to FINRA regarding arbitrator ranking sheet.	1.70	\$75.00	\$127.50
6/9/2010	DCF	Review summary of proposed arbitrators and certain decisions and rank arbitrators.	3.50	\$210.00	\$735.00
6/10/2010	CMM	Review arbitrator profiles for possible disclosures.	0.20	\$75.00	\$15.00
6/11/2010	CMM	E-mail to Diane Fischer advising that no arbitrator disclosures are necessary.	0.10	\$75.00	\$7.50
6/25/2010	JHC	Follow-up telephone conference with client regarding facts; Review additional materials sent by client.	2.10	\$185.00	\$388.50
7/15/2010	CMM	Prepare memo regarding composition of panel.	0.10	\$75.00	\$7.50
7/19/2010	GMC	Conference with Jin-Ho Chung regarding status of arbitration and how to proceed.	0.30	\$75.00	\$22.50
7/21/2010	DCF	Review correspondence from FINRA regarding additional arbitrator disclosures.	0.10	\$210.00	\$21.00
7/27/2010	DCF	Review arbitration panel composition.	0.10	\$210.00	\$21.00



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BILL HISTORY

7/28/2010	PTC	Telephone calls to and from Shaffer regarding initial pre-hearing conference; Telephone call to FINRA to cancel initial pre-hearing conference; Prepare confirming e-mail to FINRA canceling initial pre-hearing conference and providing alternative dates.	0.60	\$185.00	\$111.00
8/2/2010	JHC	Telephone conference with and e-mail to FINRA regarding scheduling issues.	0.10	\$185.00	\$18.50
8/5/2010	DCF	Review correspondence from FINRA and additional arbitrator disclosures.	0.10	\$210.00	\$21.00
8/6/2010	JHC	Review and analyze letter from Shaffer regarding modifying language in Form U-5.	0.50	\$185.00	\$92.50
8/6/2010	DCF	E-mails from and to Jin-Ho Chung regarding case and how to proceed.	0.20	\$210.00	\$42.00
8/11/2010	JHC	Legal research; Draft e-mail to client regarding case and how to proceed.	1.60	\$185.00	\$296.00
8/11/2010	DCF	Review, revise and finalize e-mail to client regarding Shaffer's letter and request for authority to proceed; E-mails from and to Jin-Ho Chung regarding memo to client.	0.40	\$210.00	\$84.00
8/12/2010	DCF	E-mail to Jin-Ho Chung regarding how to proceed.	0.10	\$210.00	\$21.00
8/16/2010	GMC	Conference with Jin-Ho Chung regarding status of case and rescheduling of initial pre-hearing conference.	0.20	\$75.00	\$15.00
8/19/2010	JHC	Telephone conference with client regarding case.	0.30	\$185.00	\$55.50
8/31/2010	DCF	E-mail to client regarding case.	0.10	\$210.00	\$21.00
9/2/2010	DCF	E-mail to Gina Chereck regarding how to proceed.	0.10	\$210.00	\$21.00
9/3/2010	DCF	E-mail to Gina Chereck regarding Shaffer's request to modify form U-5.	0.10	\$210.00	\$21.00
9/10/2010	CMM	Telephone call to and e-mail from FINRA requesting updated arbitrator profile; Prepare memo to client regarding case.	0.30	\$75.00	\$22.50
9/10/2010	JHC	Telephone conference with Shaffer regarding possible hearing dates.	0.10	\$185.00	\$18.50
9/10/2010	RPK	E-mails to and from Jin-Ho Chung regarding hearing; Review additional arbitrator disclosures; E-mails to and from client regarding hearing and additional arbitrator disclosures.	0.60	\$225.00	\$135.00
9/13/2010	JHC	Participate in initial prehearing conference call.	0.90	\$185.00	\$166.50
9/14/2010	DCF	Review, revise and finalize e-mail to client regarding case request for authority to proceed; E-mails from and to Jin-Ho Chung regarding same.	0.40	\$210.00	\$84.00

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BILL HISTORY

9/20/2010	JHC	Analyze file and begin formulating discovery to serve on Shaffer; Draft chart of proof.	0.80	\$185.00	\$148.00
9/22/2010	JHC	Draft discovery requests; Revise chart of proof; Telephone conference with client regarding hearing dates and preparation for hearing; Review and analyze attachments to Shaffer's counterclaim and documents produced by Shaffer in connection with drafting discovery requests; Draft motion for issuance of third party subpoenas.	5.20	\$185.00	\$962.00
9/23/2010	JHC	Continue to draft discovery requests and motion for issuance of third party subpoenas; Telephone conferences with witnesses regarding facts.	3.10	\$185.00	\$573.50
9/23/2010	DCF	Review correspondence from FINRA regarding pre-hearing conference scheduling order.	0.10	\$210.00	\$21.00
9/24/2010	JHC	Review prehearing scheduling order and apparent error in same; Draft letter to FINRA asking Panel Chair to correct deadline for submission of written discovery.	0.40	\$185.00	\$74.00
9/24/2010	DCF	E-mails from and to Jin-Ho Chung regarding errors in initial prehearing conference scheduling order and how to proceed; Review and revise letter to FINRA regarding initial pre-hearing conference and changes to Order regarding same.	0.50	\$210.00	\$105.00
9/30/2010	DCF	Review pleadings and discovery request and motion for issuance of subpoenas and notes to Jin-Ho Chung regarding changes and additions to be made, and additional information and documents to be obtained generally.	2.50	\$210.00	\$525.00
9/30/2010	JHC	Revise motion for issuance of subpoenas; Revise discovery requests on Shaffer.	1.30	\$185.00	\$240.50
9/30/2010	CMM	Research on Internet regarding CRD on E-Trade; Conference with Jin-Ho-Chung regarding subpoena to E-Trade.	0.20	\$75.00	\$15.00
10/7/2010	JHC	Review/analyze documents sent by client.	0.20	\$185.00	\$37.00
10/13/2010	JHC	Review documents sent by client.	0.40	\$185.00	\$74.00
10/18/2010	JHC	Telephone conference with FINRA regarding status of ruling on WFI's request for clarification on Panel Chair's prehearing discovery calendar.	0.10	\$185.00	\$18.50
10/22/2010	JHC	Review correspondence from Panel Chair regarding discovery calendar and message for FINRA regarding same; Telephone conference with client regarding facts.	0.20	\$185.00	\$37.00
10/25/2010	DCF	E-mails from and to Jin-Ho Chung regarding discovery served on Shaffer.	0.20	\$210.00	\$42.00



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BILL HISTORY

10/28/2010	JHC	Telephone conference with FINRA regarding Panel Chair's letter and how to proceed in light of same; At FINRA's direction, draft e-mail to FINRA regarding Panel Chair's letter requesting clarification of certain rulings.	0.50	\$185.00	\$92.50
10/29/2010	JHC	Review and analyze Shaffer's discovery requests; Review subpoenas issued by Panel Chair pursuant to motion for issuance of third party subpoenas; Review multiple letters and certificates of services for issuance of subpoenas to non-parties; Telephone conferences with FINRA regarding Panel Chair's discovery order and modified discovery calendar; Begin drafting responses to Shaffer's discovery requests.	1.20	\$185.00	\$222.00
10/29/2010	CMM	Prepare letter to Wedbush Morgan Securities, Inc. regarding subpoena; Prepare letter to E*Trade Financial regarding subpoena; Prepare letter to Stifel, Nicolaus & Company, Incorporated regarding subpoena; Prepare letter to Chase Investment Services Corp. regarding subpoena; Revise certificate of service for subpoena to Wedbush Morgan Securities, Inc.; Revise certificate of service for subpoena to E*Trade Financial; Revise certificate of service for subpoena to Stifel, Nicolaus & Company, Incorporated; Revise certificate of service for subpoena to Chase Investment Services Corp.; Revise certificate of service for subpoena to Ameriprise Financial Services, Inc.; Revise letter to Ameriprise Financial Services Inc. regarding subpoena; Telephone call to E*Trade regarding subpoena; Research on Internet regarding CRD for E*Trade;	1.60	\$75.00	\$120.00
11/1/2010	JHC	Review correspondence from FINRA regarding discovery schedule and applicable rules.	0.10	\$185.00	\$18.50
11/1/2010	JHC	Telephone conference with subpoena respondent regarding documents needed.	0.20	\$185.00	\$37.00
11/1/2010	DCF	E-mail from Jin-Ho Chung regarding the Chairperson's Order on discovery.	0.10	\$210.00	\$21.00
11/2/2010	JHC	Telephone conference with various Wedbush Securities personnel regarding their interview with Shaffer and why he wasn't offered a position.	0.50	\$185.00	\$92.50
11/2/2010	JHC	Prepare memo to file regarding interview of Wedbush Securities personnel.	0.30	\$185.00	\$55.50

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BILL HISTORY

11/3/2010	JHC	Draft responses to Shaffer's discovery requests.	0.50	\$185.00	\$92.50
11/3/2010	JHC	Telephone conference with client regarding Shaffer's discovery requests.	0.10	\$185.00	\$18.50
11/3/2010	JHC	Review correspondence from FINRA regarding status of case.	0.10	\$185.00	\$18.50
11/4/2010	JHC	Telephone conference with client regarding Shaffer's discovery requests, additional information concerning Shaffer's employment, and preparations for the hearing in January 2011.	0.70	\$185.00	\$129.50
11/4/2010	JHC	Conference with Paul Cahill regarding case.	0.20	\$185.00	\$37.00
11/4/2010	DCF	Review proposed discovery response and notes to Jin-Ho Chung with questions and comments.	0.30	\$210.00	\$63.00
11/5/2010	JHC	Draft e-mail to client regarding documents needed for discovery.	0.10	\$185.00	\$18.50
11/8/2010	JHC	Multiple telephone conferences with client regarding facts.	0.40	\$185.00	\$74.00
11/8/2010	JHC	Review Panel Chair's revised discovery order.	0.10	\$185.00	\$18.50
11/8/2010	JHC	Telephone conference with FINRA regarding Panel Chair's discovery order regarding deadline to file WFI's motion to compel and requesting that FINRA ask him to correct same.	0.30	\$185.00	\$55.50
11/8/2010	JHC	Review documents sent by client.	0.30	\$185.00	\$55.50
11/9/2010	JHC	Telephone conference with FINRA representative regarding discovery questions and schedule.	0.20	\$185.00	\$37.00
11/10/2010	JHC	Telephone conference with FINRA regarding discovery dates and related issues.	0.10	\$185.00	\$18.50
11/11/2010	JHC	Telephone conference with FINRA regarding status of discovery scheduled as modified by Panel Chair.	0.10	\$185.00	\$18.50
11/12/2010	JHC	Telephone conference with FINRA representatives regarding discovery calendar.	0.10	\$185.00	\$18.50
11/12/2010	GMC	Review case documents.	0.30	\$75.00	\$22.50
11/15/2010	JHC	Telephone conference with J.P. Morgan Chase N.A. regarding subpoena issued by Panel Chair.	0.20	\$185.00	\$37.00
11/15/2010	GMC	E-mail to client requesting additional documents; Conference with Jin-Ho Chung regarding same.	0.20	\$75.00	\$15.00
11/15/2010	GMC	Telephone conversation with Chase regarding subpoena; Conference with Jin-Ho Chung regarding same.	0.20	\$75.00	\$15.00
11/16/2010	JHC	Draft motion to compel.	0.30	\$185.00	\$55.50

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BILL HISTORY

11/16/2010	GMC	E-mails from and to client regarding documents requested.	0.20	\$75.00	\$15.00
11/17/2010	JHC	Review documents sent by client.	0.60	\$185.00	\$111.00
11/18/2010	DCF	Review and revise motion to compel and questions to Jin-Ho Chung regarding same.	0.20	\$210.00	\$42.00
11/19/2010	JHC	Draft motion for sanctions.	0.80	\$185.00	\$148.00
11/19/2010	JHC	Review E-Trade's response to subpoena.	0.10	\$185.00	\$18.50
11/22/2010	DCF	Review and revise motion to compel and for sanctions.	0.50	\$210.00	\$105.00
11/22/2010	JHC	Revise motion for sanctions and in the alternative, to compel.	0.50	\$185.00	\$92.50
11/22/2010	DCF	E-mail to Jin-Ho Chung regarding discovery deadlines.	0.10	\$210.00	\$21.00
11/23/2010	JHC	Review letter from Chase Bank (third party subpoena respondent) regarding subpoena issued by WFI.	0.10	\$185.00	\$18.50
11/23/2010	JHC	Telephone conference with Chase Bank regarding subpoena issued by WFI.	0.10	\$185.00	\$18.50
11/24/2010	JHC	Review and analyze Shaffer's response to WFI's motion for sanctions/motion to compel.	0.20	\$185.00	\$37.00
11/24/2010	JHC	Communicate with JP Morgan Chase (3rd party subpoena respondent) regarding timetable for its compliance with the subpoena issued by FINRA.	0.10	\$185.00	\$18.50
11/29/2010	JHC	Review documents sent by client.	0.80	\$185.00	\$148.00
11/29/2010	JHC	Review correspondence from Stifel Nicolaus regarding response to subpoena.	0.10	\$185.00	\$18.50
11/30/2010	JHC	Revise discovery responses.	0.20	\$185.00	\$37.00
11/30/2010	JHC	E-correspondence with Diane Fischer regarding discovery.	0.10	\$185.00	\$18.50
11/30/2010	DCF	Review revised discovery response and notes to Jin-Ho Chung regarding same.	0.10	\$210.00	\$21.00
12/1/2010	DCF	E-mails from and to Jin-Ho Chung regarding reply to Shaffer's response to WF's Motion for Sanctions and how to proceed.	0.10	\$210.00	\$21.00
12/3/2010	GMC	Conference with Jin-Ho Chung regarding hearing date and preparation for same.	0.20	\$75.00	\$15.00
12/8/2010	JHC	Draft prehearing exchange and revise chart of proof.	1.80	\$185.00	\$333.00
12/8/2010	JHC	Review client documents in preparation for production of same in connection with prehearing exchange of witnesses and exhibits.	2.40	\$185.00	\$444.00
12/8/2010	JHC	Telephone conference with witness regarding facts.	0.30	\$185.00	\$55.50
12/9/2010	JHC	Multiple telephone conferences with client regarding case and upcoming hearing.	0.80	\$185.00	\$148.00
12/9/2010	JHC	Draft confidentiality agreement.	0.10	\$185.00	\$18.50

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BILL HISTORY

12/9/2010	JHC	Telephone conference with Shaffer regarding hearing dates for motion for sanctions.	0.10	\$185.00	\$18.50
12/9/2010	JHC	Revise chart of proof and draft prehearing exchange.	0.50	\$185.00	\$92.50
12/9/2010	JHC	Review documents for production in connection with prehearing witness and exhibit exchange.	2.10	\$185.00	\$388.50
12/9/2010	JHC	Analyze how to proceed and what documents to include in prehearing witness and exhibit list in light of conferences with client	0.30	\$185.00	\$55.50
12/9/2010	JHC	Telephone conferences with client regarding facts.	0.70	\$185.00	\$129.50
12/10/2010	JHC	Review documents sent by client.	1.50	\$185.00	\$277.50
12/10/2010	JHC	Telephone conference with Eric Segall of Wedbush Securities.	0.10	\$185.00	\$18.50
12/10/2010	DCF	Review correspondence from FINRA regarding pre-hearing conference on Motion for Sanctions.	0.10	\$210.00	\$21.00
12/13/2010	JHC	Follow up with subpoena respondents regarding status of document production.	0.30	\$185.00	\$55.50
12/13/2010	JHC	Review documents sent by client.	0.80	\$185.00	\$148.00
12/13/2010	JHC	Prepare for telephonic hearing on motion for sanctions.	0.40	\$185.00	\$74.00
12/13/2010	GMC	Prepare supporting documentation for fee petition for pre-hearing exchange.	1.80	\$75.00	\$135.00
12/14/2010	JHC	Telephone conference with J.P. Morgan Chase personnel regarding subpoena issued by Panel Chair.	0.20	\$185.00	\$37.00
12/14/2010	JHC	Prepare for and argue motion for sanctions (or in the alternative, motion to compel) against Shaffer.	1.60	\$185.00	\$296.00
12/14/2010	JHC	Review additional documents sent by client.	1.80	\$185.00	\$333.00
12/14/2010	JHC	Review Panel's discovery order and draft e-mail to FINRA requesting clarification of same with respect to deadline to submit prehearing witness and exhibit lists.	0.40	\$185.00	\$74.00
12/14/2010	GMC	E-mail to client requesting additional documents.	0.20	\$75.00	\$15.00
12/15/2010	JHC	Multiple telephone conferences with FINRA regarding Panel's ruling concerning pre-hearing witness and exhibits lists and requesting clarification of the Panel's discovery order.	0.30	\$185.00	\$55.50
12/15/2010	JHC	Review documents from client.	1.80	\$185.00	\$333.00
12/15/2010	GLP	Conference with Gina Chereck regarding pre-hearing exchange.	0.20	\$75.00	\$15.00
12/15/2010	JHC	Review documents produced by third party subpoena respondents.	1.20	\$185.00	\$222.00

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BILL HISTORY

12/15/2010	JHC	Telephone call to Shaffer leaving detailed message concerning proposed protective order.	0.10	\$185.00	\$18.50
12/15/2010	JHC	Review revised discovery order from FINRA Panel.	0.10	\$185.00	\$18.50
12/16/2010	JHC	Review documents sent by third party subpoena respondent J.P. Morgan Chase.	0.10	\$185.00	\$18.50
12/18/2010	RPK	Work on pre-hearing exchange.	2.00	\$225.00	\$450.00
12/21/2010	GLP	Conferences with Jin-Ho Chung regarding pre-hearing exchange.	0.20	\$75.00	\$15.00
12/21/2010	GLP	Review documents.	0.50	\$75.00	\$37.50
12/21/2010	GLP	E-mail to Jin-Ho Chung and Ron Kane regarding documents and how to proceed.	0.20	\$75.00	\$15.00
12/21/2010	JHC	Conference with Gina Chereck regarding additional documents to prepare for the prehearing witness and exhibit exchange.	0.20	\$185.00	\$37.00
12/21/2010	JHC	Conference with Geri Pinarski regarding documents.	0.30	\$185.00	\$55.50
12/21/2010	DCF	Review correspondence from FINRA regarding the arbitration hearing.	0.10	\$210.00	\$21.00
12/21/2010	JHC	Communicate with Shaffer regarding proposed protective order.	0.20	\$185.00	\$37.00
12/21/2010	JHC	Telephone conference with witnesses regarding preparations for hearing.	0.30	\$185.00	\$55.50
12/21/2010	DCF	E-mails from and to Jin-Ho Chung regarding documents to be produced to Shaffer, Motions to Compel and how to proceed.	0.50	\$210.00	\$105.00
12/22/2010	JHC	Telephone conference with witnesses regarding preparations for hearing; review documents sent by client; review documents and pre-hearing witness and exhibit list produced by Shaffer; review attorney affidavit regarding billing history; analyze how to proceed; draft letter to FINRA regarding Pre-Hearing Exchange.	4.80	\$185.00	\$888.00
12/22/2010	GMC	Finalize fee affidavit and supporting documentation for pre-hearing exchange; Prepare summary of amounts due; Conference with Jin-Ho Chung regarding same.	1.00	\$75.00	\$75.00
12/23/2010	JHC	Review and analyze documents and witness list produced by Shaffer; multiple telephone calls to witnesses regarding facts and hearing preparation; review all documents for preparation of exhibit books and possible use at hearing; telephone conferences with subpoena respondents regarding status of document production.	3.80	\$185.00	\$703.00



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## BILL HISTORY

12/27/2010	JHC	Telephone conference with client regarding facts; draft memo regarding Shaffer's witnesses; organize files in preparation for hearing.	1.80	\$185.00	\$333.00
12/27/2010	RPK	Prepare for hearing.	7.00	\$225.00	\$1,575.00
12/28/2010	JHC	Conference with Ron Kane regarding case, documents produced in discovery, and how to proceed; review and analyze documents; telephone conferences with client regarding facts.	2.30	\$185.00	\$425.50
12/28/2010	RPK	Prepare for hearing.	5.00	\$225.00	\$1,125.00
12/29/2010	JHC	Correspondence with witnesses regarding preparations for hearing; telephone conference with witnesses regarding facts; review documents; telephone conference with Mary Mortensen regarding Dan Vetter; legal research.	1.60	\$185.00	\$296.00
12/29/2010	RPK	Prepare for hearing.	1.50	\$225.00	\$337.50
12/30/2010	GMC	Prepare exhibits for hearing; Obtain documents regarding Shaffer's potential witnesses.	1.20	\$75.00	\$90.00
12/31/2010	RPK	Prepare for hearing.	6.00	\$225.00	\$1,350.00
1/3/2011	RPK	Prepare for hearing.	7.00	\$225.00	\$1,575.00
1/4/2011	RPK	Attend hearing.	8.00	\$225.00	\$1,800.00
<b>TOTAL HOURS AND FEES:</b>			<b>166.50</b>		<b>\$29,814.00</b>

Copies	\$193.65
Facsimile	\$1.00
Federal Express	\$184.47
FINRA Fees	\$7,600.00
Long Distance Carrier Charges	\$3.69
SAC - Arbitrator Decisions	\$510.00
State Bar of California Fees	\$50.00
Westlaw	\$319.25
<b>TOTAL COSTS:</b>	<b>\$8,862.06</b>

<b>FEE SUMMARY:</b>	<b>HOURS</b>	<b>RATE</b>	<b>AMOUNT</b>
Christina M. Manuele	11.40	\$75.00	\$855.00
Diane C. Fischer	16.30	\$210.00	\$3,423.00
Gerl Lynn Pinarski	2.10	\$75.00	\$157.50
Gina M. Chereck	12.50	\$75.00	\$937.50
Jason R. Lindsay	2.20	\$185.00	\$407.00
Jin-Ho Chung	80.30	\$185.00	\$14,855.50
Paul T. Cahill	0.60	\$185.00	\$111.00
Stephany D. McLaughlin	1.00	\$165.00	\$165.00
Thomas A. Volz	3.00	\$185.00	\$555.00

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BILL HISTORY

Ronald P. Kane	37.10	\$225.00	\$8,347.50
TOTALS:	166.50		\$29,814.00

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FINRA NO. 10-00773

SUMMARY OF AMOUNTS DUE

Principal Balance on Promissory Note dated January 4, 2008 (the "Note")	\$74,617.76
Interest accrued at the rate of 3.58% per annum on the balance due and owing under the Note during the period of October 2, 2009 through January 4, 2011 (460 days x \$7.32 per day)	\$3,367.20
Attorneys' Fees	\$29,814.00
Costs	\$8,862.06
<b>TOTAL</b>	<b>\$116,661.02</b>



(7)

**Form 1040** Department of the Treasury—Internal Revenue Service **2005** (99) IRS Use Only—Do not write or staple in this space

OMB No. 1545-0074

For the year Jan. 1–Dec. 31, 2005, or other tax year beginning 2005, ending 20

**Label** (See instructions.) Use the IRS label. Otherwise, please print or type.

**HER E**

Your first name and initial: Kenneth c Last name: Shaffer

If a joint return, spouse's first name and initial: Laura a Last name: Shaffer

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.: 5315 Garlenda Drive

City, town or post office, state, and ZIP code. If you have a foreign address, see instructions. El Dorado Hills CA 95762

Your social security number: [REDACTED]

Spouse's social security number: [REDACTED]

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16) ☐ You ☐ Spouse

**Filing Status**

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶

4 ☐ Head of household (with qualifying person). (See instr.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (see instructions)

**Exemptions**

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a

b ☒ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) X if qualifying child for child tax credit (see instr.)
[REDACTED]	[REDACTED]	[REDACTED]	Son	X
[REDACTED]	[REDACTED]	[REDACTED]	Daughter	

If more than four dependents, see instructions.

d Total number of exemptions claimed 4

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 56,789

8a Taxable interest. Attach Schedule B if required 8a 847

b Tax-exempt interest. Do not include on line 8a 8b 0

9a Ordinary dividends. Attach Schedule B if required 9a 5,089

b Qualified dividends (see instructions) 9b 785.109

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10 0

11 Alimony received 11 0

12 Business income or (loss). Attach Schedule C or C-EZ 12 0

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ 13 -1,013

14 Other gains or (losses). Attach Form 4797 14

15a IRA distributions 15a 24 b Taxable amount (see instructions) 15b 0

16a Pensions and annuities 16a b Taxable amount (see instructions) 16b 0

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17

18 Farm income or (loss). Attach Schedule F 18 0

19 Unemployment compensation 19

20a Social security benefits 20a b Taxable amount (see instructions) 20b 0

21 Other income. List type and amount (see instructions) 21 0

22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 61,712

**Adjusted Gross Income**

23 Educator expenses (see instructions) 23 0

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 0

25 Health savings account deduction. Attach Form 8889 25 0

26 Moving expenses. Attach Form 3903 26 0

27 One-half of self-employment tax. Attach Schedule SE 27 0

28 Self-employed SEP, SIMPLE, and qualified plans 28 0

29 Self-employed health insurance deduction (see instructions) 29 0

30 Penalty on early withdrawal of savings 30 0

31a Alimony paid b Recipient's SSN ▶ 31a 32 0

32 IRA deduction (see instructions) 32 0

33 Student loan interest deduction (see instructions) 33

34 Tuition and fees deduction (see instructions) 34 286

35 Domestic production activities deduction. Attach Form 8903 35 0

36 Add lines 23 through 31a and 32 through 35 36 286

37 Subtract line 36 from line 22. This is your adjusted gross income 37 61,426

**KIA** For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Form 1040 (2005)

Date: August 10, 2009

To: Kenneth Shaffer  
From: Jan M. Krug, RBM  
Re: Fitness for Duty

This letter is to confirm the conversation we had with you today regarding our concerns about your job performance and behavior in the following areas:

**We have reason to believe that you are not able to work because of a possible medical problem. You are consistently negative in your attitude and have expressed thoughts of killing yourself. You have expressed that you no longer want to continue in your role as Financial Consultant yet feel you are unable to leave your role due to financial obligations.**

Based on these concerns, we have placed you on paid administrative leave, and we are recommending that you undergo a Fitness for Duty evaluation to be performed by a professional outside of the company. The purpose of this evaluation is to obtain a neutral, professional opinion as to your ability to perform your job. The evaluation will be paid for by the company.

Employee Assistance Consulting (EAC) will provide you with a doctor's name and phone number and an appointment time. The EAC consultant is Sue Frixione at 213-688-2122. It is important that you call the EAC consultant **today** to obtain that appointment information. It is your responsibility to follow through with the agreed upon arrangements. Information gathered by the doctor is confidential and is shared only with the EAC consultant who arranged your evaluation. EAC will only notify me regarding your ability to return to work (or any job accommodations that might be recommended).

While you are on this paid administrative leave, you need to be available by phone at home and you are required to check in daily with my office by phone. You should not report to work, and you should not make contact with anyone at work or conduct any business on behalf of Wells Fargo until you have a Fitness for Duty release from the doctor. If you have any questions, you may call me at **916-788-4532** or you may call EAC at the above-mentioned number.

Sincerely,

*Jan M. Krug*  
*Regional Brokerage Manager*  
*Sacramento Region*

*cc: Human Resource Consultant*

W000012

Krug, Jan M.

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From: Mathes, Cindy A.  
Sent: Monday, August 10, 2009 4:15 PM  
To: Shaffer, Kenneth C.  
Cc: Mathes, Cindy A.; Krug, Jan M.  
Subject: FW: Ken Shaffer

Ken,

Per our phone conversation and as was previously communicated, you would be paid your salary for the Admin. Leave. There is no negotiation on the base pay for an Admin. Leave. If the doctor recommends a medical leave, you would be eligible for STD and I've copied below how the benefits base is calculated.

For Sales Incentive Compensation (SIC) and Full Commission (FC) team members (positions assigned job class codes 3 and 5 on the Wells Fargo's HRIS/Payroll System), covered salary is your benefits base as indicated on that system. Benefits base is calculated quarterly by annualizing earnings based on salary and incentives or commissions paid in the last 12 months, divided by the number of months with earnings greater than \$0, up to a maximum determined by the Internal Revenue Code's annual compensation limit for qualified retirement plans.

You can also go online under Team Member Resources and find the Benefits Book under Personal and read the entire section. Please take the next couple of days to review this information and provide your answer on how you would like to proceed by close of business on Wednesday, August 12<sup>th</sup>.

*Cindy Mathes*

Vice President  
Branch Administration Manager  
Wells Fargo Investments  
(916) 788-4507  
(916) 788-4773 (fax)

***Investment and Insurance Products***

***Are Not insured by the FDIC or any other federal government agency.***

***Are Not deposits of or guaranteed by the Bank or any Bank affiliate***

***May Lose Value***

***Wells Fargo Investments, LLC (member SIPC) is a non-bank affiliate of Wells Fargo & Company.***

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W000013

Administrative leave option....

Page 1 of 2

Krug, Jan M.

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**From:** Webster, Mark D. (PCS)  
**Sent:** Wednesday, August 12, 2009 12:52 PM  
**To:** Krug, Jan M.; Blomley, Christine  
**Cc:** Scout, Christopher M.  
**Subject:** Fw: Administrative leave option....

Jan

I thought EA was going to be suggested based on a previous e mail received, can you call me this afternoon to discuss

Sent using BlackBerry

---

**From:** Shaffer, Kenneth C.  
**To:** Krug, Jan M.; Webster, Mark D. (PCS)  
**Cc:** Mathes, Cindy A.  
**Sent:** Wed Aug 12 13:28:44 2009  
**Subject:** Administrative leave option....

I cannot afford to take you up on the "administrative leave" offer; the income that I would receive from the recoverable draw, which you erroneously refer to as a "salary", would result in a financial hardship", and if I were to be judged "unsuitable for duty" as you put it, I have been informed that my state disability pay would be 381/week, another financial catastrophe. This is the only amount I can depend on because, if you will remember, last year during a period of severe illness and doctor recommended time off, Metropolitan was happy to inform me that my claim was declined on the basis of both respiratory illness and what my Kaiser Physician described as a condition of "severe depression". Why would I expect it to turn out differently this time?

Thanks though, for your self described "generous offer", the raising of my minimum goals shortly after a near financial collapse, and your questioning of my professionalism, during a time when I am servicing many small and non-revenue generating accounts, splitting revenue with my licensed bankers, and supporting my other bank partners while having a "% to goal" rating in the top half of the group. I will have to think of another way to end this misery.

Regards,

*Ken Shaffer*

Financial Consultant

Wells Fargo Investments

M-W-F- 916 984-1179 Customer Service- 866-281-7436

T-Th -916 364-3571

Investment and Insurance Products

W000014

8/13/2009

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